The China Weekly REVIEW

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SATURDAY, JULY 18, 1931 VOLUME 57, NUMBER 7

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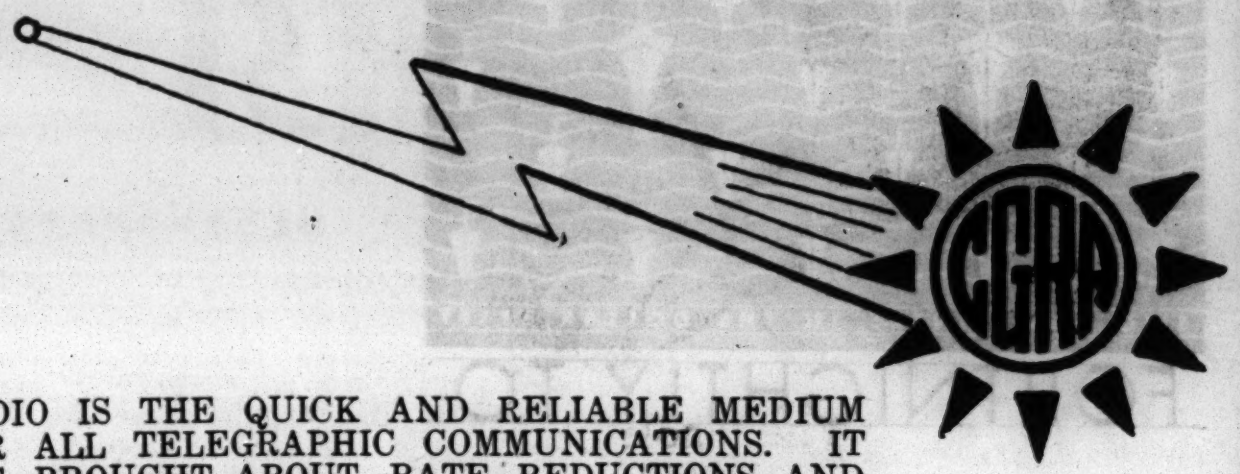

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The China Weekly REVIEW

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AMERICANS AND FRENCHTOWN GAMBLING SCANDAL

OF the 4,000 and more Americans who reside in Shanghai, it is probably correct to say that three-fourths of them reside in the French Concession, the American property investment amounting to a considerable sum. Many American citizens, including business and professional men, particularly missionaries have built homes in this section of Shanghai, their object being to reside in the vicinity of the American School, the American Community Church, Masonic temple and other community institutions which were constructed in the French-administered section of Shanghai several years ago—when that section of the city was generally considered the most desirable for residential purposes. But while the Shanghai French Concession was once considered the most desirable residential section of Shanghai, the same cannot be said about conditions at the present time. As stated in previous discussions of this subject in *The Review* the local French Concession has become a veritable "cess-pool" from the standpoint of various forms of vice. Literally there is no form of man-made vice, from gambling resorts and opium and narcotic-dispensing joints to the lowest forms of prostitution, that cannot be found in the French-administered section of Shanghai. Many respectable foreign and Chinese residents of the French Concession do not realize this situation, but the foreign tourist in search of thrills and examples of Oriental debauchery or the foreign sailor on leave for a few days, has no difficulty in finding these places. Professional guides who loiter about the hotels, steamship jetties and other places are always willing to earn a fee by conducting parties on tours of these places. In the case of some of the gambling resorts which cater to foreigners, particularly one located on Route de Say Zoong, a telephone call will bring a motor car for a free trip from any part of the city. Tourists have been known to arrange for these gambling-resort-cars to be at the jetty on the arrival of their ship. Local foreign and Chinese residents with a weakness for gambling have no difficulty in finding these places, most of which are located in the residence section of the city in close proximity to the residences of law-abiding citizens, the promoters of the resorts adopting the method of leasing foreign residence property which they fit up for gambling purposes.

While the Americans and other non-French residents of the French Concesion have no voice in the administration of the district in which they reside, there is a way in which they might bring pressure to force a clean-up. For sometime it has been suggested that the American residents of the French Concession hold a protest meeting, adopt resolutions and forward them to high officials of the French Government in Paris. Such resolutions might also be forwarded to the American Minister with instructions that they be sent to the State Department for official presentation to the French Government. Undoubtedly the American residents of the French Concession would be justified in taking this action because conditions prevailing in the Concession are prejudicial to public health and safety and seriously detrimental to property values. Persons who are familiar with conditions in the French-administered section of Shanghai, particularly the Police Department of the International Settlement, express the opinion that conditions in Frenchtown have become so serious that local French officialdom is powerless to effect reforms. It is claimed that the vice-ring in the French Concession has become so powerful as to practically constitute a super-Government which actually controls the area. We do not, of course, absolve local French officialdom from blame in making this statement. It was due to their neglect or connivance that this situation was permitted to develop and it is undoubtedly due to their acquisitive instincts that it is permitted to continue. But while local French officialdom may have become calloused to the situation, it is extremely unlikely that all avenues of approach to the home French Government have been closed, despite rumors that large sums are forwarded to Paris for this purpose. Surely there must be members of the French Parliament or Colonial office who could be induced to make an issue of this situation and thus bring pressure on the authorities of the local French Concession and compel them to clean up this section of Shanghai somewhat similar to what was done in the Shanghai International Settlement two or three years ago. Of one thing we may be sure: the situation in the French Concession has become so serious that a crisis is imminent—a crisis that might, conceivably, result in a complete break-down of all authority. The recent strike of employes of the garbage-collecting department of the Concession which prejudiced the health of all residents provided an excellent example of the seriousness of the situation. The local French officials found themselves powerless to settle this strike and had to appeal to the heads of the vice-ring and according to report a considerable portion of the money which was put up to settle the strike was supplied by the vice-ring. Thus we have an example of the super-government which operates in the French Concession, a super-government not greatly different from the regime of Al Capone which operated in Chicago. In view of the likelihood of a complete breakdown of administrative authority in the French Concession and the obvious inability of the French forces to cope with the situation, it has also been suggested that the commanders of the local American and British defense forces be requested to station a portion of their forces in the residence section of the French Concession.

THE AMERICAN SCHOOL AND CHINESE STUDENTS

IT is with considerable satisfaction that one hears that the directors of the American School in Shanghai are likely to pass favorably on the matter of admitting a limited number of Chinese students to the higher classes at the beginning of the coming fall session. The details have not been worked out, but according to the report the directors of the School probably will arrange for the admission of a certain percentage of Chinese children to the upper classes, providing the Chinese children who wish to attend have a sufficient knowledge of English to carry on the regular work of the school. Up to the present the number of Chinese parents who have expressed a desire to send their children to the American School has been quite limited, limited parctically to Chinese who are American citizens or Chinese who have resided in the United States and whose children already have attended American schools. It has also been suggested that Japanese residents of Shanghai, particularly those in the diplomatic service who have resided in the United States, also be permitted to send their children to the local American School, but this point has not been decided by the directors of the School. While the American School was established primarily for American children, it has in recent years admitted a considerable number of non-American children of various nationalities, particularly the children of Russian emigrees residing in Shanghai. The admission of non-American children has generally been regarded as a satisfactory move on the part of the directors of the School as well as the patrons of the School as represented by the Parent-Teachers Association. It has undoubtedly had a broadening effect on the American children who have thus been permitted to associate with the children of other nationalities who reside in the international Shanghai community. The further move to admit a number of children of Oriental parentage is therefore a tendency in the right direction, particularly in view of the fact that a considerable percentage of the graduates of the American School will spend their lives in China in close association with the Chinese people. The introduction of courses in Chinese language, history and geography last year has been found highly satisfactory and has improved the situation which existed previously where American children born and raised on Chinese soil could not speak the Chinese language and had little or no knowledge of Chinese history or geography. In connection with the reported or at least, pending, decision of the directors of the American School to admit children of Oriental parentage, it is interesting to record the fact that while the American School in Tokyo has always been open to Japanese children, about the only Japanese who have sent their children to the school are Japanese diplomats who have resided in the United States and whose children proviously attended the public or private schools of America. One of the officials of the Tokyo American School in commenting on this point said, "Such children always know English and we have been able to take them all in without any exception, so far." He stated, however, that in

case there should be any general influx of requests for admission of Japanese children, that it might be necessary to establish a certain percentage in the various classes. The establishment of a percentage, such as is said to be in contemplation here, would eliminate this problem at the beginning and would prevent complications arising in the future. In view of important change likely to eventuate in the status of the foreign concessions in the near future, the American school authorities have shown wisdom in tackling this problem early and in working out a satisfactory solution before the question became a political or racial issue.

FEETHAM'S "FANTASTIC SCHEMES" FOR OUTLYING ROADS

THE concluding volume (No. 3) of the report on Shanghai made by Justice Feetham, who came from South Africa to perform this service for the Municipal Council, was published during the week. This final volume is devoted entirely to the question of the roads which in past years have been built by the Council in the district beyond the Foreign Settlement, and which, by the principle of exterritoriality, are not only merely the property of the Council, but subject to its taxation and police control. After reviewing the history of these roads and recounting the disputes which have occurred between the Chinese and Municipal authorities regarding police and taxation, Justice Feetham outlines two schemes, the one supplementary to the other, to deal with these roads. The principal features of the first scheme (referred to as "A") are that the Council of the Settlement should be granted, as far as required, delegated authority by the Mayor of Greater Shanghai, to enable it to exercise effective administrative control of the external roads and the land and properties fronting on such roads, the Municipal Government of Greater Shanghai retaining in its own hands the administration of the other portions of the Areas, consisting at present, in the main of the undeveloped regions lying between the roads; also that the Council should be given authority to levy taxation in the form of land tax, as well as in the form of taxes on house rents on developed properties and lands adjoining the external roads and that the Council should pay a certain percentage of the revenue thus collected as a contribution towards the expenses of administering the adjoining areas which remain under the control of that Government.

Justice Feetham refers to Scheme "B," as the more "permanent scheme," which would provide for a new authority. The new Municipal authority which Justice Feetham recommends, would be in the form of a committee, consisting of nominees of the Mayor of Greater Shanghai, nominees of the Council of the Settlement, and representatives of residents and property owners, foreign and Chinese, of the areas concerned. Justice Feetham suggests that this authority should be endowed with powers sufficient to enable it to conduct the administration of these Areas under its own regulations, with such assistance as it may find it necessary or expedient to accept, in the early stages, from the Municipal Government of Greater Shanghai, on the one hand, or from the Council of the Settlement, on the other.

The above, then, are Justice Feetham's recommendations but no one who is at all acquainted with local conditions, who is conversant with the Chinese temper on this subject, and who has given the matter any serious thought, believes that any of them will ever be followed.

The current number of *The Critic* (Chinese foreign-language weekly journal in Shanghai,) contains an editorial under the heading of "Some More Muddled Thinking" and comments regards the suggested "authority" referred to in Scheme "A", as follows:

> "By what authority shall this delegation be made? Evidently, by the Municipality to Greater Shanghai. As it is consituted at present the Municipality of Greater Shanghai cannot and will not delegate such an authority. Nor is it conceivable that the National Government will do it. No government in China can bear to risk its popular support by making such concessions of its sovereign rights. If his first step is a dream of the impossibility, the second step or Scheme B, as he calls it, is a proposal bordering absurdity and insanity. His second step calls for the creation of an independent authority over these areas. Have we not enough conflict of authorities in Shanghai so that the learned Justice must wish some more independent administrative areas on us? At present the poor ricsha coolie has to pay for two licenses for carrying his daily burden in the Shanghai area. By the time Feetham's Scheme B is worked out, he will have to apply for three or more licenses, we suppose. As to muddled thinking, ignorance of actual conditions and downright absurdity, can any proposal affecting such an important problem as the future of Shanghai exceed the report of Justice Feetham? In our opinion, the basic question is not what authority shall administer the areas in the territory through which the roads built by the Shanghai Municipal Council pass, but rather why there should be any such question at all. The Shanghai Municipal Council is at best no more than a corporate entity. Generally speaking its action is valid only through the permission or sufferance of the Chinese National Government. It is conceivable that it may buy land from Chinese landowners and build roads on it, as is permissible to many public and private coporations. But as is the case with all such corporations, ownership of the roads by the Shanghai Municipal Council will not entitle the latter to exercise its policing and taxation power over these roads in defiance of the Supreme Law of the Land. To allow it to do so would establish a dangerous principle which will endanger the very existence of the National Government, because it is conceivable that by extension of this principle, the Council may build roads leading to the strategic points of China and thereby gain the control of the whole country. Is it not a pity that a supposedly learned man like Justice Feetham can not see a simple truth like this?"

Hongkong Derived $2,800,000 from Opium Despite Competition of Canton and Macao Smugglers!

IN view of the controversy over the opium-control situation at Shanghai, it is of interest to learn that the official government opium monopoly bureau in the British Colony of Hongkong collected revenues from opium last year amounting to $2,835,286.90 according to a report of the Superintendent of Imports and Exports which was presented to the Hongkong council on Thursday, July 2. The report, which was published in full in the *South China Morning Post* (British) on July 4, should make interesting reading in the United States as it makes frequent reference to the smuggling of opium from Hongkong and other South China ports to the United States. The most interesting phase of the report, which we are publishing in full herewith, is that it proves quite definitely that the official government monopoly system which has been advocated as a solution of the opium problem, does not prevent smuggling outside of the government-control bureau. As a matter of fact the *South China Morning Post* published the report under a heading which read as follows, "The Opium Problem in Hongkong—Discoveries of Sources of Origin of Drug Smuggled Through." Practically all of the report which follows deals with the vast opium smuggling problem in South China which centers about Hongkong as well as the Portuguese Colony of Macao and the Chinese city of Canton:

Opium

1. The revenue collected was $2,835,286.90, a slight increase on the previous year. This was entirely due to increased sales of Kamshan opium in the last three months of the year. The price of Kamshan or Grade 1 opium was raised to $60 per three *tael** tin in December, and the unusual demand soon ceased. Though enquiries were made no satisfactory explanation was discovered; it may have been due to hoarding against an anticipated increase in price, but the fact that high prices were being paid outside the Colony may have led some of the registered smokers to dispose of their supplies at a profit. It is said that there is a regular demand for Kamshan opium every year about 3 months before Chinese New Year for the purpose of blending it with opium prepared outside the Colony for the American New Year market, now that supplies of genuine Indian opium are so difficult to obtain. A strict enquiry into the standing of all registered smokers of Kamshan opium has led to a marked diminution in the number of renewals of pass books in 1931. That a certain number of registered smokers had been in the habit of registering with the idea of obtaining supplies for the consumption of others was proved by the finding of fifteen taels of Kamshan opium, a number of empty tins and three pass books in the possession of a man who was not registered. This man, who was convicted, was conducting a sort of high class divan, in which he used a blend of Kamshan and illicit opium, and was also carrying on a retail trade. The pass books were at once cancelled, but it was found impossible to trace the persons who had originally applied for them.

Sources of Illicit Opium

(a) (1).—Prepared Opium.

(1) Macau took the first place having suppled 60 per cent. of all seizures. Practically all this was the well-known Red Lion Brand in one tael tins. At the present time this is the best known brand of prepared opium throughout the world, for during the year seizures have been made extensively in Singapore, Java, and the Philippine Islands, and fairly frequently in Australia, U.S.A. and British North Borneo. This brand varies somewhat in quality and colour. Some contains little but Chinese opium and gummy filling material, some of better quality is made from a blend of Persian and Chinese opium, and some contains a large amount of opium dross. This opium is not sold by the official Monopoly for consumption in Macau. It was common in the earlier part of the year to find these brass tins stamped with the name of the firm Wang Kei in green ink, but the address of this firm was unknown until a seizure which included cakes of Persian Opium each bearing the firm's address in Macau was made. Enquiries by the Macau Government proved that the address was that of a licensed retailer of official Monopoly opium, but no evidence was found that the firm was also dealing in another brand of prepared opium. It is significant however that the name of this firm has not been noticed recently on any of the Red Lion Opium seized.

Extensive Export

(ii) Where this Red Lion is actually prepared is unknown, but all Chinese know it as Macau opium, and the name of Macau is generally coupled with the name of the brand in the many documents from abroad which have been examined this year. Most of the seizures ascribed to Macau were found in circumstances which proved that the opium must have been placed on the importing ship in Macau. In a minority of cases only was the assignment of Macau origin due to the mark on the tins coupled with the quality and physical appearance.

(iii) It is unlikely that more than about five per cent. of the total imports for local consumption are actually seized in Hongkong. The low state of the sales of Government Opium alone shows this. This would give some 300,000 taels as the quantity illicitly imported annually into the Colony. It is probably a good deal more, for Red Lion appears to be by far the commonest brand of opium consumed in Hongkong, and there must be few divans which do not use this brand to a great extent, judging from the number of empty and full tins found therein. If to this figure is added the large amount which is exported in cargo through the Colony to Malaya, Java, the Philippine Islands and other countries, the probable amount of Red Lion prepared opium which was exported from Macau during last year must have reached a figure approaching 800,000 taels.

By Every Steamer

(iv) This opium comes in by every junk and steamer from Macau and especially by the steamer arriving in the evening. From the latter steamer it is sometimes thrown into the sea attached to floats near Cheung Chow Island to be picked up by specially engaged sampans, but more often it is not discharged until some hours after the steamer has reached her wharf, when the hour of 2 a.m. has been found to be a suitable time. A net of spies is thrown round the wharf both on land and sea, as soon as everything is reported safe a signal is made to a waiting sampan, motor boat or steam launch which then rushes to the side or stern of the steamer and receives the opium as it passes rapidly by. Officers of the Police and this Department have waited all through the hours of darkness, only in the end to see the opium whisked away right under their noses by a route which had been left momentarity unguarded. Sometimes officers of this Department appear to have helped the delivery of the opium and one Chinese Revenue Officer was convicted of possession of a large quantity of Red Lion Opium of which he had taken delivery from the evening Macau steamer and which he was escorting across the Harbour towards Mongkok.

(2) The seizure of 1,522 taels of prepared opium on the s.s. Tetsuzan Maru bound for Dutch North Borneo was the first occasion on which Canton Monopoly prepared opium has been seized in large quantities. The remainder of the seizures entered in the seizure table

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The word "tael" is used here to designate a unit of weight, the "tael" being equivalent to 1 1/3-ounces. The 3-tael tins of opium referred to in this article, thus weigh 5-ounces, and are the tins which are usually smuggled into the United States from Hongkong and Chinese ports.

(Table XIV) were casual seizures on board river steamers or in the effects of passengers.

(3) The entries under the head "doubtful" generally relate to prepared opium found in open containers in houses and divans. This opium in most cases was the result of boiling up on the spot Chinese raw opium, a little Red Lion Macau Opium, dross and gum, for use in opium divans, or for retail sale to the lower class coolie population. It is but rarely that prepared opium in closed containers has to be classified thus, for the circumstances of the seizure generally determine the source of the opium even when other facts do not throw any light.

(4) The fall of Wuchow from first to third place is due to the prevalence of military operations beyond that port and the practical blockade of the province of Kwangsi by the Cantonese forces. This led to the cutting off of the supplies of raw and prepared opium which used to reach the Colony direct, without as a rule paying the Kwangtung opium taxes. This blockade did not, however, affect the supplies of opium in Canton, and the Colony received more raw opium from Canton instead of the prepared opium direct from Wuchow.

Raw Opium

(1) Chinese raw opium originating in Yunnan was plentiful, and seizures were made on ships arriving from all the usual ports. Quantities continued to be brought down from Canton by Rail. In spite of the fact that military operations were being carried on in Kwangsi, the usual route for Yunnan opium passing to Canton, supplies of raw opium seem to have been specially abundant in Canton. At the beginning of the year the Opium Monopoly in Canton passed into the hands of a new owner, and this was signalised by the introduction of a new revenue label depicting the rebuilt concrete Five-storied Pagoda at Canton. From this new label all mention of the Canton provincial treasury was omitted. Towards the end of the year still another revenue label appeared depicting an express locomotive, while mention of the provincial treasury was restored.

(2) Seizures were made of old Szechuen Opium neatly put up in two tael card-board containers. Each packet had the trademark of a flying stork, very similar in design to the stork on the notorious Fujitsuru design commonly found on cocaine seized in Indian ports. The supplier gave his name, address and telephone number in Hankow on each packet, showing that dealing in raw opium was perfectly open at the place of packing, where it is taxed under the style "Special Merchandise."

Persian Opium

(3) At the beginning of the year seizures of Persian opium were numerous. As in the previous year most of it could be proved to have come direct from Macau, and seizures followed closely upon the reported arrival at Macau of the Persian opium conveyed by the s.s. Times Maru, although that ship did not actually enter Macau. One seizure of Persian opium in the original one pound cakes bore the name and address of a firm at Macau, which proved on investigation by the authorities there to be that of a licensed retailer of prepared opium. Together with this labelled opium were found a number of tins of Red Lion prepared opium, all marked with the rubber chop of the same retailer; this chop had been frequently observed before on tins of Red Lion prepared opium, but this seizure was the first occasion on which it could be proved that the name referred to a well-known Macau firm.

(4) Indian Opium. There was one small seizure of Malwa opium packed amongst bottles of chutney received from Calcutta; the cases came through forwarding agents and the actual consignors could not be traced in India.

From time to time information came to hand that Indian opium was being smuggled to Shanghai on ships of the Indo-China S.N. Co., but all searches were unsuccessful.

Divans

It was found necessary to take steps against some of the large divans in order to remind those engaged in this occupation that they are still breaking the law, although the stringent measures formerly taken have dropped. Several large establishments were broken up. Some of these could accommodate over ten smokers at a time, and occupied whole floors of houses, instead of one cubicle as was common in former years. There is no doubt that the number of divans using illicit opium is as great as ever.

General

(a) Supplies of illicit opium of all kinds were abundant and sales of the ordinary grade Government Opium remained low. Rather more was heard of exports to U.S.A. but the many attempts made to intercept them were generally abortive. A good deal of attention was devoted to enquiries into the smuggling of Macau Red Lion opium to Singapore, with the result that some syndicates engaged in this business were dispersed.

(b) A remarkable seizure in March of 66,000 taels of Yunnan raw opium on a launch which had gone ashore on the south side of Lamma Island deserves special mention since it threw a good deal of light on the opium situation in the province of Kwangtung.

A large launch, owned in Hongkong but which had by some means come under the control of the official opium transport company, was commissioned at Canton, loaded with opium and placed under the charge of an agent of the transport company and other agent of the opium monopolist. Elaborate printed official passes in respect of the opium were given to the agents in charge, duly stamped with numerous Kwangtung revenue stamps. These passes were issued by the Opium Suppression Bureau to three private opium merchants in Canton, and covered the removal of the opium to Swatow, where it was to be delivered to a branch opium monopolist who apparently would release the opium on payment of the prescribed fees payable on opium entering the region of his monopoly. It is not quite certain that the launch herself could have got to Swatow, for her boiler was leaking and she could make only five miles per hour; in fact she took 18 hours from Canton to Lamma, and would have required nearly 48 hours more at that speed to have reached Swatow against the North East monsoon.

Yunnan Opium

Each cake of opium bore a purple label depicting the Five-storied Pagoda at Canton, and stamped across the face was the hexagonal chop in blue ink of the Tung Wan Company. This name had been noted on many opium labels before, but the exact position held by the company in the taxation of opium was hitherto unknown. The Company's representative made the position quite clear. His Company held the absolute monopoly for the whole province of Kwangtung of the transport of raw opium, for which their fee was ten cents a tael payable by the owner of the opium. At their depot in Canton, where opium merchants had office accommodation, they attended to the proper labelling of all opium on behalf of the Opium Suppression Bureau, guaranteeing that no opium would leave their control until properly labelled. The Company also procured from the Opium Suppression Bureau the necessary removal permits on behalf of the opium merchants desiring to remove opium from one section of the province to another.

The representative of the Opium Suppression Bureau persisted in calling the opium. "Raw Material for the Manufacture of Medicine for he Cure of Opium Smoking," and this designation was used in all the official correspondence, which ended in the opium being handed back to the Canton Opium Suppression Bureau with the consent of the Central Government in Nanking. A careful analysis, however, proved that the material was Yunnan Opium of excellent quality, containing a percentage of morphine relatively high for ordinary Yunnan Opium, which is often extensively adulterated.

The Collection of Trade Statistics was commenced on 1st April, it having proved impossible to start sooner since time was required for a complete revision of the classification list with the help of the General Chamber of Commerce. A publicity campaign was undertaken first; lengthy notices were inserted in the newspapers, individual guilds of Chinese merchants were interviewed, and Chinese ship-owners and junk masters carefully instructed in their obligations.

It was finally decided that a trial should be given to a system which allowed importers and exporters of goods a definite period within which to make the necessary declarations, instead of making it necessary to lodge declarations in full before goods were imported or exported, as was the case before. The advantages of the new system to every one concerned are obvious, but the success of the whole system depends on merchants rendering their returns promptly and completely. This unfortunately has not been the case, and a monthly average of 4,000 reminders and queries have had to be sent out. As it takes some time for the failure to make returns to be discovered, and for the correct returns to be received and entered up, it has meant that the figures given in the returns for any month always included a large number of delayed returns which should have been included in the previous month.

No prosecutions have yet been taken for failure to comply, but in the New Year a vigorous campaign of prosecutions will obviously be necessary, if the returns are to be made accurate and of real use.

Korean Atrocities Due to Japanese Weakness or Design?

CHINESE public opinion generally holds the Japanese Government or at least the Japanese military party responsible for the anti-Chinese riots throughout the Korean Peninsula on the basis that they were designed for some ulterior purpose, or that they were due to the weakness of Japanese administrative and police control over the Koreans. Generally, the Chinese do not hold the rioting Koreans who killed approximately 100 Chinese and wounded several hundred more, responsible for the outrages, despite the fact that the incidents were perpetrated by Koreans and resulted from a clash between Chinese and Korean farmers in Manchuria at a point more than 150 miles from the Korean boundary.

While there has been consnderable talk and propaganda among Chinese organizations such as the student bodies and commercial groups tending in the direction of a Chinese boycott of Japanese products, the inclination of the Chinese Government as well as the Chinese authorities in Manchuria has been to caution the Chinese people against adopting retaliatory measures against either the Japanese or Koreans residing on Chinese soil. The Government's motive in this regard has been based largely on the desire not to provide the Japanese Government with justification for taking military action in Manchuria or for increasing Japanese garrisons already stationed on Chinese soil. Chinese belief that the Korean riots were either instigated or condoned by the Japanese military authorities in Korea has been based on the well known Chinese knowledge of the efficiency of Japanese suppression of any anti-Japanese or alleged "Communistic" manifestations on the part of the Koreans. Two years ago a nationalist outbreak among Korean students in Seoul was suppressed so quickly and efficiently that the Japanese police authorities within twenty-four hours had lodged several thousand of the striking students in jail. In view of this situation the Chinese are therefore at a loss to understand the anti-Chinese manifestations of the Koreans except on the basis of connivance or an unexpected weakness which has developed in the Japanese administrative and police control of Korea.

The best analysis of this situation which has appeared in any newspaper in the Far East, was published on July 9 in the *Japan Chronicle*, liberal British newspaper at Kobe, the editorial being as follows:

> "Beginning as an onslaught of rowdies bent on retaliation for incidents in Manchuria, the anti-Chinese riots in Korea have reached grave proportions. The official casualty list already admits to ninety-one murders, and three times that number of injuries, and it unfortunately appears that the roll is growing. At the moment there are thousands of Chinese streaming across the border near Antung, helped on their way by Korean mobs who continue to defy the police. It is this aspect of the trouble which is so serious. The riots were provoked by Korean anger at alleged discriminatory treatment in Manchuria, and at the commencement appeared spontaneous, but that stage has long since passed. For all further bloodshed the Government-General of Korea must assume the blame. And instead of handling the situation in the drastic way it demands, the authorities have practically countenanced rioting from one end of the peninsula to the other.
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> "Heijo (Pyongyang) was the scene of the most ferocious attacks. In this city dozens of Chinese were dragged into the streets and beaten to death. "The police and fire brigades were called out, but were helpless." That is a typical extract from reports of the massacre. From eight o'clock on Sunday night until three of four in the morning, the Chinese residents of Heijo were subject to a reign of terror, and the authorities scarcely lifted a finger to help them. On Monday afternoon there were still mobs of several hundred raiding the suburbs—"the situation being so threatening that the police had to fire blank cartdidges." A threatening situation! After eighty Heijo Chinese had been brutally murdered. And yet not threatening enough to justify the calling out of troops, and the declaration of martial law. In Chemulpo a thousand policemen, plus reinforcements from the country districts, could not keep order. Despite their protection, four Chinese were killed, and a mob of ten thousand did considerable damage to Chinese property. On a smaller scale the same story was repeated in dozens of towns all over the peninsula.
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> "The inexcusable fact is that although originally spontaneous, the riots could easily have been checked if the proper precautions had been taken. As early as Friday last, there were rumours of possible trouble. On Saturday there were riots at Chemulpo, Seoul, Jinsen and Heijo. On Saturday morning, the Chinese Consul-General in Seoul officially requested the Government-General of Korea to afford proper protection to Chinese residents, pointing out that the minor riots of Friday evening were likely to spread. The request was echoed by the President of the Chinese Chamber of Commerce, who declared that Chinese lives were undoubtedly in danger. That same day, the majority of Chinese shops in Soeul and Jinsen closed their doors, and though the police arrested a few of the Korean ring-leaders and strengthened the city patrols, it did not prevent rioting much more serious than was witnessed on Friday. Heijo also had riots on Saturday night, a rehearsal of the massacre which was to follow twenty-four hours later. If the Consul-General's warning, coupled with Saturday night's events, was not sufficient to put the authorities on their guard, then they must be singularly lacking in intelligence, and a sense of duty.
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> "The only precaution taken in Heijo appears to be the reinforcement of the police, some of whom were issued with firearms—apparently with instructions not to use them, for from first to last, the police did not fire a single shot at the murderous mobs which ranged the city and suburbs for hours.
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> "The authorities appear to have committed two serious blunders. Strict police guard from the very beginning—on Friday night—the institution of curfew, and the dispersal of all gatherings, might have stopped the riots at the source. On Sunday night the Koreans were entirely out of hand. It was too late for the police, and the instant this was realised there was only one other course open. Martial law and the military. Instead of which, the Department of Overseas Affairs on Monday was "still desirous of not calling out troops to suppress the riots," which were not only continuing, but apparently spreading. There was no such reluctance at Wanpaoshan, where machinegun and rifle fire scattered Chinese farmers who threatened to destroy the dam Koreans had built for irrigation. That the murder mobs would have been amenable to military demonstration was evidenced on Monday, after the damage had been done. Blank cartirdges then sufficed to disperse a crowd of several hundred engaged in wrecking shops. But in other suburbs of Heijo, Chinese were still being beaten to death, and when 700 rioters attacked a factory which sheltered many Chinese refugees, more shots were needed. One Korean was actually wounded before the bloodthirsty mob bolted. What the Chinese thought of police "protection" may be gauged from the fact that in Seoul they organised

a self-defence corps, armed with swords and cudgels. There were no very serious riots in Seoul.

"On this point, the *Japan Times*—which specialises in the official view—makes an extraordinary comment. The paper raises the query how "the outbreaks occurred in view of the efficient policing of the dependency," and answers its own question, "the machinery of the police has been organised, however, to check communistic outbursts, and demonstrations against the Japanese rule. Thus Chosenese leaders enaged in such activities are watched, and before any such disturbances take place, they are checked. It is evident that the police were, at Heijo, at least, entirely caught off their guard, since anti-Chinese demonstrations by Chosenses was evidently not considered as a probable occurrence." This despite the Consul-General's warning on Saturday! While it is highly significant that in Chempulpo, Japanese living near the Chinese quarter all left their houses before the raids started. It is incredible that Japanese police in Korea, who have a world-wide reputation for their espionage system, should ever be caught off their guard.

"In recognising a certain liability, the Tokyo Foreign Office, we are told, is determined not to make a diplomatic incident of the outrages. A Chinese massacre in Korea is purely a domestic matter. There will be compensation for the material damage done, and a solatium for the relatives of the killed. But it is difficult to see how Japan can prevent China making diplomatic capital out of the massacres. If the sword had been in the other hand there would have been a nation-wide outcry. The murder of a Japanese subject in China is always good stuff for the interventionists, solid proof of the fact that China cannot guarantee safety of life and property. Here we have an open confession of police helplessness. The authorities are positively anxious to admit it, and well they might be. Whether they should be believed is another matter. The War Office might not be entirely displeased if the Heijo outrage provoked further incidents in Manchuria.

"Japan, as a civilised nation, stands disgraced in the face of the world. Not even in China can there be found a duplication of the Korean outrages. For when Chinese mobs have attacked foreigners they have at least been labouring under a strong sense of injustice, and they have attacked those whom they believed to be directly responsible. It would be necessary to go back to the period of the Boxer War to match the slaughter. As for the persecution of Koreans in Manchuria, which led to the riots, the truth has yet to be threshed out. Chinese peasants attempted to destroy Korean paddy fields, but there is no evidence of indiscriminate, let alone murderous, attacks on Koreans.

"It is useless for the Foreign Office to regret "unfortunate retaliation" which took the forces of law and order by surprise. It won't wash. If someone didn't blunder, then there was deliberate hoodwinking in high places."

LATEST DEVELOPMENTS AND REACTIONS

While the National Government has ordered the Chinese Minister in Tokyo, Wang Jung-pao, as the Chinese Consuls in Korea to make an immediate investigation and has remitted a considerable sum of money to them for assisting the Chinese refugees, Chinese organizations led by the General Chamber of Commerce at Shanghai are proceeding to organize a general boycott on Japanese products. Branches of the Kuomintang Party are also cooperating in the movement, the reports on Tuesday and Wednesday of this week stating that Chinese organizations had agreed to raise a large sum of money for the purpose of financing strikes on the part of Chinese employes of the large Japanese shipping, commercial and industrial organizations in the Shanghai district. Some 500 Chinese merchants held a meeting on Monday afternoon under the auspices of the General Chamber of Commerce when resolutions favorable to an anti-Japanese boycott were adopted and committees appointed for the purpose of raising funds to finance the movement. The present anti-Japanese manifestations in China have received considerable emphasis recently as a result of the exploitation for propaganda purposes of the alleged finding of the body of the late Tsai Kung-hsi, Commissioner of Foreign Affairs in Tsinan who was killed by the Japanese troops at the time of the Japanese intervention in Shantung three years ago. A bronze statue of Tsai Kung-hsi, which was purchased by overseas Chinese at Singapore, recently was erected with appropriate ceremonies in Tsinan, the capital of Shantung, which was the scene of the serious clash between Chinese and Japanese troops at the time of the Shantung intervention.

A *Kuomin* message from Nanking on July 14 stated that the Japanese Government's reply to China's protest regarding the anti-Japanese riots in Korea had been received. The Japanese reply ascribed the outbreaks to the alleged oppression of Koreans by the Chinese authorities in Manchuria and while regretting the occurrences, the Japanese Government declined to accept any responsibility for losses and rejected the Chinese demand for full compensation for losses suffered by Chinese residents in Korea resulting from mob action. However, the Japanese Government agreed to make a "compassionate" grant to the Chinese who had suffered losses and also stated that the leaders of the riots would be punished. The *Kuomin* report stated that the Chinese Government regarded the Japanese reply as highly unsatisfactory and that a second note would be sent to Japan immediately. The second note will refute the Japanese allegations of Chinese oppression of Koreans in Manchuria and will point out that it was the Japanese police who first opened fire on the Chinese farmers at Wanpaoshan. The *Kuomin* report stated further that the Chinese Government's second note will call attention to the fact that the Korean riots were deliberately exacerbated by the Japanese press through the circulation of "false and malicious reports alleging Chinese mistreatment of Koreans."

Of special significance in connection with the recent demands of Japan and the other Powers pertaining to the protection of foreign lives and properties in China, the Chinese Government has called Japan's attention to the fact that "every sovereign state is under obligation to accord due and adequate protection to aliens within its jurisdiction." In this connection the Chinese Government will point out that Korea is subject to Japanese jurisdiction, hence the Japanese Government must accept full responsibility under international law and will demand immediate compliance with the following points:

1. Adoption of effective measures to stop the riots and assurances against recurrence of similar incidents.
2. Full compensation for the losses and damages sustained by the Chinese nationals.
3. Prosecution and punishment of ringleaders.
4. Discharge of local Japanese or Korean officials who have been guilty of negligence either in preventing or suppressing the riots.

While the Chinese Government has exercised its influence to prevent Chinese from adopting direct retaliatory measures against Japanese and

Koreans residing on Chinese soil, Chinese officialdom in Nanking and elsewhere have been outspoken regarding the underlying causes of the outbreaks. Dr. Tsai Yuan-pei, veteran Kuomintangist on July 13, pointed out that while the anti-Chinese riots had been conducted by Koreans, the disturbances actually had a Japanese background. He declared that it long had been a cherished ambition of the Japanese Government to colonize Manchuria and thus entrench Japanese influence in Manchuria and Inner-Mongolia. The Koreans had therefore been incited by the Japanese for the purpose of carrying out Japanese imperialist policy. Dr. Tsai, however, cautioned against any rash or ill-advised acts of retaliation and urged an immediate cessation of Chinese domestic dissension and disturbances in order to enable the nation to "unitedly and perseveringly wipe out the national humiliation." The official *Kuomin* service in a Nanking dispatch on July 13 stated that the Government was being deluged with reports from various parts of the country urging a nation-wide boycott of Japanese products. The report stated that while Party leaders will adopt precautions aginst unlawful reprisals against Koreans, the Government on the other hand "will not interfere with any peaceful and orderly demonstrations on the part of the Chinese people." While nothing has been heard from Canton regarding the reactions there, reports from North China, particularly Hopei and Shantung provinces, indicated a rising tide of Chinese indignation with the inevitable demands for a boycott of Japanese products. In the event a boycott develops, chief attention apparently will be centered on Japanese cotton cloth which has enjoyed monopoly sales due to the ousting of British goods in recent years.

The Chinese newspapers during the week printed numerous statements from Koreans and reports from Korean newspapers alleging that the riots were instigated by the Japanese military authorities who caused the Japanese newspapers in Korea to print exaggerated reports of the Wanpaoshan incident. Some of the headlines from the Japanese newspapers were cited as evidence such as "Manchuria Authorities Launch Organized Movement Against Korean Farmers," "Kirin Provincial Authorities Will Expel all Koreans Before July 10," "Korean Farmers at Wanpaoshan Massacred by Chinese." The Chinese newspapers reprinted an editorial from one one of the Korean newspapers published in Seoul, *The East Asia Daily*, which on July 5, the day preceding the massacres, criticised the Japanese press in Korea for publishing exaggerated reports of the Wanpaoshan incident. The editorial pointed out that the fundamental trouble was not due to squabbles between the Chinese and Korean farmers, but was involved in the more serious problem of Sino-Japanese relations. The Korean paper declared that the Wanpaoshan incident was merely a manifestation of the conflict of interests between China and Japan and that the Koreans were involved because they were being used a medium for creating trouble. It was also pointed out that the Koreans who were involved in the Wanpaoshan incident were all employed by Japanese capitalists and that the activities of the Koreans were merely the actions of their Japanese capitalist employers. The editorial concluded with the statement that it "was a pity that the ignorant Korean farmers had allowed themselves to be used as tools by the Japanese exploiters."

The Japanese Government (*Rengo* report) on July 11 announced that the sum of Yen 150,000 had been appropriated as a "compassionate grant" to the Chinese victims of the Korean outrages. Also it was announced that the Japanese police authorities in Korea would arrest some 10,000 Koreans who had participated in the anti-Chinese outbursts. The Japanese Government also denied the reports widely published in the Chinese newspapers that additional Japanese troops had been sent to Kirin province. It was claimed that thousands of Chinese residents of Korea are now fleeing back into Chinese territory.

The *China Press*, Chinese-owned newspaper published in the English language at Shanghai, printed a dispatch from its correspondent in Peiping which stated that official circles in the North believed that the motive behind the present anti-Chinese outrages in Korea which were clearly inspired from higher quarters must be traced to an anxiety on the part of Japan to maintain her hegemony in Manchuria in view of the gradual extension of Soviet influence to this extreme northeastern border district of China. It was stated that Japan cannot help but view the rise of Soviet influence in Manchuria with alarm and is determined to hold her own against any undermining of her prestige and influence. By utilizing the incident, the Tokyo Government, was expected to increase its military strength in Manchuria without attracting world-wide attention as well as the opposition of the Chinese nation. As a matter of fact, Japan's military strength, had already been materially increased in this part of Chinese territory since the Wanpaoshan incident. Indications from various messages received at the Ministry of Foreign Affairs at Nanking from Kirin and other parts of Manchuria were that the anti-Chinese movement throughout Korea which had gathered momentum as the hours passed was premeditated, well-organized and methodically directed. It was pointed out that in times past the Japanese authorities never failed to quell any Korean uprising within a matter of hours due to the Japanese Government's constant vigilance and military preparedness in watching over Korea; but it seems that this time, the responsible Japanese authorities allowed the movement to spread without making an effective effort to stop it.

The official *Kuomin* service on July 8, issued a dispatch from Nanking giving the following official version of the Wanpaoshan incident which had been received from the Kirin provincial government:

> "On April 16, 1931, Hou Yung-teh, manager of the Changchun Land Cultivation Company, leased 4,300 mow, approximately 720 acres, of cultivated and uncultivated land at Wanpaoshan village in the vicinity of Changchun. The land was leased from twelve farmers for a period of ten years.
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> "Although the agreement expressly provided that the lease would not be effective until the Magistrate's sanction was obtained, otherwise the same would be invalid, Hou Yung-teh did not wait for the Magistrate's sanction and, without the permission of the proper authorities, leased the said land to nine Koreans for the same term of ten years.
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> "Over one hundred Koreans proceeded to dig a channel 20 li, approx. 7 miles, long, 40 feet wide

and 30 feet deep to connect the said land with the I-tung river for purposes of irrigation; the said channel outting through the fields of over forty farmers without previous understanding with the owners.

"The excavated mud was piled up as embankments on both sides between 70 and 80 feet wide, completely ruining the 420 mou (70 acres) of arable land of other farmers.

"A dam was also constructed across the I-tung river to divert the maximum flow of water toward the said channel, the thereby putting 40,000 mou (6,000 acres) of cultivated land under danger of being flooded and obstructing navigation on the said river.

"In desperation the farmers appealed to the Chinese authorities to prevent the Koreans from continuing excavation work, otherwise they would defend their own rights resolutely. The Authorities counselled patience and calmness and to await official negotiations.

"When Chinese police were dispatched to Wanpaoshan to disperse the Koreans, the Japanese police, sent by the Japanese consul at Changchun, had already arrived, thereby encouraging the Koreans in their obstinacy.

"As a result of negotiations between the Japanese Consul-General at Shenyang and the Chairman of the Kirin Provincial Government, both sides agreed to recall their respective police. The Chinese police were withdrawn the same day, while the Japanese police were withdrawn two days later.

"When Mr. Chou Yu-ping, Director of the Changchun Municipality, communicated formally with the Japanese Consul at Changchun, suggesting discontinuance of further digging by the Koreans until the result of joint investigations, the Japanese Consul refused and upbraided the Chinese officials for injuring the welfare of the Koreans, at the same time dispatching a big batch of Koreans into the district, also 50 to 60 plain-clothes policemen with machineguns, occupying the dwellings of the villagers under the pretext of protecting and supervising the said construction work.

"Towards the end of June construction of the said channel and dam to the I-tung river being completed, on July 1 three to four hundred villagers, armed with agricultural implements, proceeded to fill up the channel 2 li (approx. two-thirds of a mile) long, whereupon the Japanese police fired.

"Persuaded by the Chinese police, the incensed farmers desisted, merely venting their wrath on the Director of the local Public Safety Bureau.

"On July 2 and 3, similar disturbances occurred, fortunately without serious casualties on both sides.

"Under the pretext that the villagers were abetted by Chinese police, the Japanese authorities dispatched 20 additional police to Wanpaoshan. However, the Chinese authorities have been endeavoring to pacify the populace, seeking amicable settlement by diplomatic means.

"In view of the circumstances, the Kirin Provincial Government feels that the Chinese authorities should remain firm."

The Canton Rebellion and China's Frontier Troubles

IN any other country in the world the existence of a military menace on the country's borders is usually sufficient to cause politicans to compose their differences and unite against the foreign foe but apparently the Chinese people, or at least a considerable portion of their political and military leaders have not yet reached the point in their nationalistic development where they look upon foreign aggression as something which is a menace to the welfare of the entire people. While there has been considerable development in nationalism since the establishment of the National Government, it is still a fact nevertheless that politicians at Canton, for example, do not shed any tears when Japan commits an act of aggression in South Manchuria. Rather do the Cantonese politicians regard this as something for Marshal Chang Hsueh-liang and the other Manchurian politicians to worry about, or worse, they may welcome the incident in the belief that it will prove embarassing for their political enemies in the Central Government at Nanking. Two years ago when the Soviet Russians sent troops into Chinese territory and raided the entire North Manchurian border, pillaging and burning towns and massacring the inhabitants, the two Northern militarists took advantage of the situation to launch their attack on the Central Government at Nanking.

The present situation again presents a distressing example of this lack of patriotic impulse on the part of a considerable number of politicians and militarists who are involved in the so-called Canton Movement. For several days the newspapers have been filled with reports of the serious situation which exists in South Manchuria as a result of the Sino-Korean incidents, but apparently this has had no effect whatever on the attitude of South China politicians, who are continuing their plans for an armed attack on the forces of the Central Government. And the unfortunate phase of the situation is that the Japanese menace in South Manchuria is not the only menace on China's far-flung border regions. The recent seizure of an airplane belong to the Sino-German aviation service by hostile Soviet-officered Mongolian troops was an indication of the seriousness of the menace which exists in Outer Mongolia which is entirely dominated by Moscow. And in addition to the Soviet menace on the North Manchurian border, it also is common knowledge that a war has been in progress for many months on the Szechuen border between the new Chinese province of Sikong and Tibet. What influence is behind the Tibetans is not known, but in all probability they are being instigated by some foreign government, possibly Soviet Russia with the object of whittling off more Chinese territory in that quarter. The Chinese province of Sinkiang, or Chinese Turkestan, is practically dominated by Moscow, if one would believe the reports brought out to the China coast by travelers from China's far northwestern border regions.

Perhaps Chinese historians of some future period will have an explanation of the situation which exists in this present period of China's international relations, but for present day observers there is no logical explanation of the actions of supposedly intelligent officials in stirring up domestic discord at a time when the country should present a united front to foreign aggressors, as well as a united front on various other pressing foreign issues prominent at the present time. Actually there are no international problems facing China at the present which could not be solved to China's great advantage if the country was united, which statement applies even to the Manchurian problem which is concerned primarily with the rivalries of Japan and Russia over Chinese territory. With more than 30,000,000 of her citizens in the Northeastern provinces, China should have little difficulty in asserting her authority over this important ter-

ritory, but as the situation stands today, the gradual weakening of Chinese authority due to internal discord is rapidly transforming Manchuria into a sort of "Balkan" situation which is likely at any time to provoke an international war which, should it develop probably would result in the division of the territory between two alien states and its consequent permanent loss to China. As a result of the continuing internal discord there are some who assert that China will not be permanently unified until all of the outlying territories have been lopped off and controlled by neighboring Powers, which would mean the division of Manchuria between Japan and Russia, the control of all Mongolia and Sinkiang by the Soviets, Sikong and Tibet by British India and Yunnan province by France through Indo-China. But despite the fact that foreign observers with a friendly interest in China's welfare sense this situation, it does not seem to be apparent to a considerable number of China's leaders who apparently are more influenced by personal animosities and selfish ambitions than they are influenced by the welfare of their country and its people.

FUTILITY OF THE CANTON MOVEMENT

The futility of the so-called Canton Movement is immediately apparent to anyone who will take the trouble to analyze the situation which has developed in South China, following two months of separation from the Central Government. According to althoritative information from the South the final result of the expenditure of vast sums of money by those who have rebelled against Nanking has been the re-establishment of the strength of the Kwangsi rebel faction and the control of Canton by another military faction which has harbored this ambition for many months. Historically Kwangtung and Kwangsi provinces are enemies, and while Gen. Chen Chi-tang the present military dictator of Canton has purchased a temporary peace by subsidizing the Kwangsi faction, most persons realize that the peace can be of but short duration. All this has taken place when the Central Government should have been devoting its chief energies to the suppression of the Communists, an alien-supported faction which would make China an appendage of Soviet Russia. Should Canton *and the Communists* succeed in defeating Chiang Kai-shek and the Central Government's forces, this would have the immediate effect of precipitating another war with the militarists in the North who would never submit to a Canton-Communist domination.

According to latest reports from the Communist front (July 14) the Government's Right Wing forces commanded by Gen. Chen Ming-hsu have succeeded in capturing the town of Futien, near Tungku in southeastern Kiangsi province. Futien was taken after three days of fighting against the red troops commanded by Pang Teh-huai. The report stated that the Government troops are continuing their attacks on the Communist stronghold at Tungku which they except to capture within one week, following which they will advance southward against the red forces entrenched in the Ningtu-Yutu region. The fall of Kwangchang, long a Communist stronghold is expected shortly. The Kuomintang Party committees which are accompanying the Government forces are re-establishing district administrations in the occupied territories. A report issued by Gen. Chiang Kai-shek (*Kuomin*, July 13) claimed that the Government forces are making rapid progress and that the Communist gangs are gradually retreating to the Kiangsi-Fukien border. Gen. Chiang's report stated that the red forces under Chu Teh have also fled toward the Fukien border. The report stated that the people of Kiangsi province had suffered losses amounting to $700,000,000 and that more than 2,000,000 homes had been destroyed. It was claimed that large numbers of peasants who had previously joined the Communist gangs were now deserting and coming over to the side of the Government troops. More than 13,000 captives, more than 80 percent being peasants, had been sent back to bases in the rear, according to Gen. Chiang's report.

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Hongkong, July 13, (2P. M.)—It is understood here that the well known Communist leaders who were instrumental in the organization of the Hongkong strike in 1925 and later labor uprisings throughout China have arrived in South China and are again starting a propaganda among the labor unions in both Hongkong and Canton. The Canton military authorities on last Saturday evening raided the headquarters of some fifty of the leading labor unions and arrested numerous suspects and seized a considerable quantity of Communist literature.

As a result of the raids, the Canton Government has issued a warning to the Kwangtung Associated Labor bodies, the Railway Workers Association and the South China Seamen's Union regarding the active possibility of communist intrigue and asking the labor leaders to take immediate steps to prevent trouble.

The Kwangsi military leaders have announced plans for a Kuomintang Political Conference to be held in Nanning, capital of Kwangsi province, sometime during the present month. Those who have been invited to attend include Wang Ching-wei, Left leader; Li Chung-jen, head of the Kwangsi troops; Gen. Chang Fa-kwei, commander of the "Ironsides;" Gen. Huang Shao-hsiung, and others to participate.

The leader of the so-called Western Hills clique in the Kuomintang, Mr. Tsou Lu, departed from Hongkong this morning bound for Tientsin. He has been commissioned to confer with the Kuominchun military leaders with the object of inducing them to join the Canton movement.

The Canton leaders issued a report today claiming the arrival of several representatives of Gen. Shih Yu-shan, the ex-Kuominchun leader, who is stationed in southern Hopei province.

The new long-distance Canton-Hongkong telephone line which has been under construction for several months will be opened for regular service about September 1, according to an announcement today.

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Hongkong, July 14, (9 P. M.)—It is understood in Chinese political circles that Tsou Lu, leader of the so-called Western Hills faction in the Kuomintang, who has gone to the North, will spend the next two months in North China, his purpose being to attempt to induce the two Northern militarists, Yen Hsi-shan and Feng Yu-hsiang, to join the Canton Movement against the Central Government. The exact date of Tsou Lu's departure from Hongkong is not known, some of the Hongkong papers reporting that he departed on July 8 while others stated he departed two days ago. He is supposed to have proceeded to Dairen by way of Japan.

Two high officials of the Canton Central Bank, whose names were not stated, have been detained by the Canton Government due to the allegd disappearance of more than $100,000 in Canton Municipal banknotes form the bank's vault. As a result of the spread of rumors resulting from the disappearance of the notes and the consequent arrest of the bank officials, it is reported that the Government will not accept certain notes issued by the bank. Considerable uneasiness prevailed in native banking circles yesterday due to the refusal of the bankers to accept the notes. Finally the Mayor of Canton, Ching Tien-koo, after a conference with the manager of

the bank, announced that the stolen notes would be accepted at face value.

The Canton "National Government" has instructed Huang Chih-siung, a divisional commander in the "Ironsides" to proceed to Kiangsi province, with the object of "buying-over" certain commanders of the 19th Route Army, who allegedly are doubtful in their loyalty to the Nanking Government. It was stated that Huang Chih-hsiung has been provided with $1,000,000 for the purpose backing up his negotiations.

It was announced today that Wang Ching-wei, Li Tsung-jen, Ku Ying-fan, Tang Shao-yi, Sun Fo and Hsu Chung-chi, are departing from Canton shortly for Nanning, capital of Kwangsi province, for the purpose of participating in a Kuomintang Conference which has been called to meet in that city.

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Hongkong, July 15, (3 P. M.)—The Canton "National Government" has experienced a further misfortune in connection with its finances. Closely following on the theft of $100,000 worth of Municipal notes from the Central Bank which became known on July 14, was the announcement today that the Chinese printing company which printed the Government's recent $10,000,000 war bond issue, had secretly printed $4,000,000 in additional bonds which were sold at a discount and placed in circulation.

The discovery of the forged bonds in the local market, simultaneously with the issuance of the legitimate Government bonds caused a tremendous sensation in Canton banking circles, following as it did the recent discovery of the theft of bank notes which already had disturbed the financial market.

As soon as the wholesale forgery of war bonds had been discovered, the Government issued an order for the detention of ten employes of the printing shop and also several officials of the Ministry of Finance who had supervised the printing of the bonds. The Government has announced that a thorough investigation of the incident will be made and all responsible will be severely punished.

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South China Morning Post, Hongkong, (July 4—Gen. Chen Chi-tang finally opens office of Military Council and meeting scheduled shortly will consider various phases of Anti-Nanking military campaign, construction of defense works and joint movements of the Liang-Kwang provinces; Gen. Chen Chi-tang prepares for inspection tour of front in company with commanders of 1st and 3rd Armies; will visit Sunkai and Yuan Tam first, following which will proceed to Yingtak and Shiukwan....Gen. Li Chung-jen recommended that two divisions of the 4th Group Army sent to defend North River as news received that Gen. Chiang Kai-shek is personally leading an army into Kwangtung from Kiangsi; reported Gen. Chiang sending another army under Gen. Chu Shao-liang into East River; military Council agreed to shorten lines on East River and send stronger force to northern border of province; Gen. Li Chung-jen orders Generals Chang Fa-kwei and Yang Hok-ling to concentrate at Kwongnin and Szequi; stated three more regiments left Wuchow for Kwongnin and five more to follow....Report received in Canton that certain Honan commanders under Ho Chien had sent emissaries to Canton to negotiate an alliance; Government decided to send Tang Seng-chi to Honan to enlist support from Hunanees troops; Gen. Tang will be accompanied by Hu Yit-san....Canton report stated 44th and 45th divisions of Chiang Kai-shek's army reached Kanchow, Kiangsi and three more on way; that 60th and 61st divisions of 19th Route army at Kian have been ordered to go to Hunan via Pinghsien.

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South China Morning Post, (July 6)—Canton report claims that Gen. Liu Kin-shui, commander of a few thousand troops in southern Hunan has refused to serve under Gen. Ho Chien and has joined the Canton movement; claimed that the revolt of Liu Kin-shui's troops will help the Kwangsi advance against Changsha; stated that other Hunanese commanders, including Wu Feng-chang and Yen Yin-nai have sent representatives to Canton to negotiate with Gen. Chen Chi-tang; as result of dissatisfaction with Nanking that allegedly developing in Hunan, the Canton Military Council has decided to send Gen. Tang Seng-chi to Hunan to enlist further support for Canton; Canton convinced however, that Gen. Ho Chien will remain loyal to Nanking; Canton military council decided, in view of the decision of the 28th Hunanese army to support Canton, that immediate preparations be made to organize a joint expedition of the Cantonese 1st and 4th group armies into Hunan, the 1st army to be commanded by Gen. Yu Hon-mow who will advance from Shiukwan via Ichang, Chengchow and Yunghing where he will unite with the 31st division under Gen. Tao Kwang, enroute to Changsha; 8th army under Gen. Li Ping-shen will be sent from Chuanchow into Kiangsi via Yungchow to Paoking, to join 19th division under Gen. Li Kioh....Canton report stated Gen. Chen Ming-hsu's troops have withdrawn from Kanchow and Kianfu, but prior to evacuation supplied villagers with arms to defend themselves against Communists; stated town of Kanchow being besieged by reds under Li Ming-shiu who controls 2,000 men....Canton General Li Yang-ching moving his 3rd army from Shiukwan to Namyung to prevent reds from entering Kwangtung; 1st army to take up defense of Shiukwan....Stated purpose of visit of Sun Fo, Eugene Chen and Tang Yuehliang to Chungshan district was for purpose of conferring with Tang Shao-yi about the organization of a northwestern military movement against Nanking, stated Quo Tai-chi also member of party....Wang Ching-wei, Left Wing leader visited Hongkong on "mysterious" mission, thought for purpose of conferring with Gen. Chang Fa-kwei, who is ill in Hongkong and also with Chen Fu-mo, a Leftist who recently arrived in Hongkong from Shanghai; Liu Wen-chi, formerly director of the Peiping-Hankow Railway arrives in Canton to confer with Sun Fo....Seventh meeting of Canton provincial council considered matter of Kwangtung's finances; stated decision reached to place Central Bank's "chop" on notes of $1 and $5 denominations to the value of $3,000,000 for placing in circulation at face value; Shen Tsai-woo, president of bank said Central Bank will redeem $3,000,000 in notes; total amount of notes in circulation placed at $10,000,000....Canton report stated Yang Kuan-mu, formerly commander of the Central Government's 6th air squadron has joined Canton.

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South China Morning Post, (July 7)—Owing to difficulty of defending northern Kwangtung on account of floods, Canton Military Council decided that Kwangsi would be the starting point of an attack on Changsha; Canton's first plan to attack Kiangsi held in abeyance; both Cantonese and Kwangsi divisions to be mobilized for drive into Hunan, Cantonese troops to be commanded by Gen. Yu Han-miao while Kwangsi forces commanded by Gen. Li Chung-jen; Ichang and Hengchow in Hunan the first objectives——Canton claimed receipt of telegram from Chen Ming-hsu stating that the 19th Route army would be transferred to Hunan to prevent any possibility of a clash with the Cantonese troops; stated decision to send 19th army into Hunan resulted from secret conference between Chiang Kai-shek and Chen Ming-hsu at Kian; stated Ho Chien, head of Hunan province objects to move and may oppose by force; Canton claims serious situation developed at Kanchow, Kiangsi as result of withdrawl of 19th army, that city being attacked by red general Li Ming-shui who has increased his force by 800 troops; stated heavy fighting at Nanfeng and Kwangchang since July 4 between Ho Ying-chin's troops and reds; stated Nanfeng taken by Central Government troops; right wing of Nanking forces reached district within 20 miles of Tungku, chief stronghold; large force of reds under Kung Ho-lung secretly arrived from Hunan to harass government trrops; Nanking trrops under Sun Liang-chung launching strong attack on Ningtu another red outpost; Gen. Chen Cheng arrived in west Fukien with five divisions from Nanchang to help Gen. Li Ho-tin in suppressing reds.

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South China Morning Post, (July 8)—As further precaution against invasion of Kwangtung by Gen. Chiang Kai-shek, Gen. Chen Chi-tang orders Gen. Heung Hon-pin of 2nd army to construct further fortifications in vicinity of Canton; report that Wang Ching-wei, Leftist, had gone to Hongkong denied on grounds that Gen. Chang Fa-kwei, commander of Ironsides, has recovered from his illness and will shortly return to Canton....Canton claims receipt of further telegrams from Gen. Chen Ming-hsu of 19th Route Army stating he will remain "neutral" from the standpoint of fighting Canton; believed report confirmed by recent movements of 19th from Kanchow to Kian, Kiangsi; stated Communist situation so serious Chiang Kai-shek unable to send army into Kwangtung as originally contemplated; stated Chiang Kai-shek has promoted Gen. Tsai Ting-kai to command of 60th Division, replacing Gen. Chiang Kwang-nai;

large reinforcements and munitions sent by Gen. Chiang Kai-shek to forces in Fukien to prevent Communists from retreating into Fukien....Canton report states that reds are constantly on move to avoid clash with government troops; claimed reds split into two sections, one group moving into southern Hunan and other into Fukien; stated Gen. Chang Fa-kwei definitely recovered and has returned to Canton; report from Nanchang stated Nanking troops pressing reds strongly, stormed two positions at Fu-tin on July 5, killed three red regimental commanders and captured more than 1,000 Communist troops....Canton report stated that plan of Canton Mayor to issue $1,000,000 in new notes was opposed by Minister of Finance as such would tend to further depress the notes of the Central Bank; Central bank itself plans to issue $1,000,000 in new notes which will be guaranteed by "chopping" each note with words "Canton Headoffice," which is expected to give confindence in issue.

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South China Morning Post, (July 8)—Paper publishes editorial stating that considerable time has passed and Canton-Nanking issue shows no sign of reaching decisive stage; that interest in the quarrel has languished and origin of dispute forgotten; Hu Han-ming now seldom mentioned and his representative Ku Ying-fan now the chief political figure behind Gen. Chen Chi-tang ....Hongkong public growing tired of the fight and not convinced by Canton propagandists who have made extravagant statements....Canton's demands that the Powers take strong action against Nanking and withdraw recognition had no effect....Because of feeling that Canton propagandists do not represent the real leaders in Canton, their fulminations are futile....While Hongkong's interests are linked with Canton and considerable sympathy exists for the charges against Chiang Kai-shek's alleged dictatorship, and while it is believed that Chiang Kai-shek will disperse the chief red bands, it is not believed he will completely suppress Communism because the red situation is due to misgovernment....In the circumstances Hongkong can only regret that Canton has added to the difficulties by starting an armed revolt with so little prospect of success....general feeling is that as soon as Chiang's campaign develops, Canton "National Government will collapse....Canton relied on Northern support which has not developed.... stage apparently arrived for mediators to use their influence....There is need for a real People's Conference to establish a "rule of the people."

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South China Morning Post, (July 9)—Claimed that the return of Sun Fo, Eugene Chen and Tang Yueh-liang to Canton from their visit to Macao where they conferred with Tang Shao-yi, had cleared up the rumors regarding dissension in the Canton political camp....Gen. Chen Chi-tang, head of the Canton military unable to attend meetings of Government council due to absence at front where he is allegedly inspecting the new trench system upon which he has expended some $1,00,000....Canton's definite knowledge that Gen. Chiang Kai-shek is actually concentrating his energies in the anti-Communist campaign and will not advance into Kwangtung, has considerably relieved the tension which existed in Canton....Most of Kwangsi leaders now absent from Canton, including Bei Tsung-chi and Chang Fa-kwei; Bei Tsung-chi stated to be at Wuchow where conferring with Huang Shao-hsiung; Bei Tsung-chi appointed the divisional commander of Huang's forces, Wang Kocho as acting chairman of Kwangsi province, other appointees including Wong Wing-wah as reconstruction commissioner; Li Yam-man, commissioner of education; Chu Shao-sum, commissioner of civil affairs and nine others as members of provincial council....Generally thought present opportunity offers Kwangsi Party an opportunity for consolidation; Gen. Bei introduces retrenchment program to save money for arms purchase; Wuchow message states sum of $2,000,000 derived from opium will go to purchase of munitions; stated orders placed for 5,000 rifles and large numbers of revolvers and machineguns; in future each Kwangsi division will contribute $90,000 for arms purchases; Kwangsi Party watching for opportunity to extend influence to Yangtsze....Report of Gen. Chang Fa-kwei's recovery from illness stated incorrect as he is still in a Hongkong hospital; Gen. Bei has sent frequent telegrams requesting him to return to Canton....Canton report alleges that while Chiang Kai-shek's campaign has been delayed by the Reds, his real intention is still to attack Canton; in order to oppose Chiang's advance into Kwangtung, Gen. Chen Chi-tang has appointed Li Ching-yang, Heung Hon-ping and Yu Hon-miao as commanders of the Northern, Eastern and Middle Route forces against Chiang Kai-shek....Gen. Chen Chi-tang orders arrest of further officers of the 19th Route Army and according to report the arrested officers disclosed the hiding place of arms belonging to the 19th which had been secreted in Shameen....Yang Kuan-fu appointed principal of the Canton Aviation Academy....Flood damage to the Canton-Shiukwan Railway placed at $800,000.

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South China Morning Post, (July 10)—Generals Li Tsung-jen and Bei Tsung-chi send further telegrams to Gen. Chang Fa-kwei urging him to return to Canton; stated he will return in two or three days; Gen. Chen Chi-tang decides to telegraph to Gen. Chiang Kwang-nai inviting him to return to Canton as 2,000 troops of 19th Route Army stated unwilling to support Chiang Kai-shek; stated Canton will appoint Chiang Kwang-nai vice-commander of the Canton 1st Group Army....Report from Foochow stated that Red troops had retreated into the Shihcheng, Kienning and Chungan districts to the north and northwest of Fukien; heavy fighting between Reds and Fukien forces in Chungan district.... Many Canton politicians, including Sun Fo, Wang Ching-wei, Ku Ying-fan, Teng Tsueh-lu, Li Chung-jen Tang Seng-chi attend ceremony commemorating 5th anniversary of starting of Northern Expedition; Sun Fo and Tang Sen-chi deliver addresses; Wang Ching-wei leaves for Hongkong....Chen Shu-jen, Keng Heng-yi and Sung Yuan-yuan appointed members of Political Council.... Gen. Chen Chi-tang decides to allot $1,000,000 from Customs revenues to cover expenses of the Canton Government Council; money to be used to cover salaries of fifteen members of Council, secretariat, etc., and for consolidating Government's position in Southwestern provinces....Canton will proceed to collection of business tax despite protests of merchants; Government prosecuting audit of accounts of private firms in order to facilitate tax-collection; Government to open fifteen tax-bureaus to enforce payment of tax due to allegations that Chinese business houses are concealing their revenues.

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South China Morning Post, (July 11)—Tang Shao-yi petitions the Canton Government to withdraw the so-called restaurant tax which caused serious dissatisfaction; stated Government may withdraw tax although it will mean a loss to government of $750,000 annually ....Canton report states that withdrawal of Gen. Chen Ming-hsu's 19th Route army to Kian, Kiangsi has been followed by a considerable strengthening of this force and that the army is shortly to be transferred to Sinfeng and Tayu with the object of invading Kwangtung by way of Tingnam, Kiennam and Lungnam....Canton Peace Preservation Corps which was disarmed because of its opposition to Canton regime, has been reorganized and now said to consist of 5,000 troops and according to report Gen. Chiang Kai-shek plans to use this force against the Canton Government; after being disarmed by Gen. Chen Chi-tang, most of this force fled to Hongkong and then went to Fukien to join the Central Government's forces....Gen. Hsu Chung-hsi denies report that he is proceeding to Fukien to organize a force against the Central Government; claimed Canton has sufficient force to defend itself against Chiang Kai-shek without trying to obtain reinforcement from Fukien.... claimed that Tsou Lu sailed from Hongkong on July 8 bound for Dairen with the object of conferring with Yen Hsi-shan....Sun Fo organizes relief for Kwangtung flood refugees but Hongkong merchants refuse to donate because Canton is using all its money for military purposes....Canton Government putting flood refugees to work in construction of fortifications.

North Manchurian Market Improves as Result of Moratorium

President Hoover's moratorium plan has resulted in an improvement of the silver currency in Harbin. Another immediate result of the declaration of the moratorium has been to cause an improvement on the bean market in North Manchuria. Prices for beans and other cereals have gone up and exporters, mostly Japanese, have bought a large quantity of beans for export, believing that the suspension of government debts will bring about an immediate improvement of the economic situation in Germany and the European countries in general, which will in turn cause greater demand for Manchurian products.

Tobacco Cultivation and Industry in Manchuria

BY A. A. R.

AMONG the many plans for national reconstruction adopted by leaders of this country, we hear, is a project to introduce a monopoly of the tobacco industry, along lines very similar to that existing now in Japan. While it is recognized that the time has not yet come for its materialization, Chinese government circles are believed to be studying it from every angle. The project should interest us from two viewpoints: firstly, if materialized, it should open a new source of income for the national treasury, dislodging certain foreign interests, which are holding a monopolistic position; secondly, it should introduce new, rationalized methods of cultivation, replacing the ones now in general use and which have, in the light of modern science, become antiquated.

The importance of the subject grows when we recall that nearly every Chinese is a smoker: tobacco is used by the rich and the poor, of all ages. And the demand for it is steadly increasing; this is especially noticeable in Manchuria, the population of which is growing by leaps and bounds through the natural increase and the immigration from other parts of China. A. E. Gerasimoff, writing on the subject in *the Manchuria Monitor*, No. 5 for 1929, states that, according to observations gathered in Kirin (吉林縣) and Diahuihsian (大虎縣) districts of Kirin province, the percentage of tobacco smokers was 89. 2% for adults of both the sexes, and 14.4% for children from 10 to 16 years old. If this statement is correct, or even approaches the truth, the importance of the tobacco industry grows still greater.

The Tobacco Plant

Tobacco is made from leaves of the various narcotic plants of the Nicotiana family, which contain a volatile oil and an alkaloid called nicotine. Of this family we find in Manchuria two species—Nicotiana tobaccum (so called, the Virginian tobacco), and Nicotiana rustica (so called, the East Indian tobacco). According to the geographical distribution the Manchurian tobacco might be classified as follows:—

Tungshan tobacco (東山煙) grows in the north-east section of Mukden province and has two distinguishing qualities: (a) Huangyan (黃煙) or the first class quality and (b) Gao liyan (高力煙) or the second class quality, which, by the way, grows all over Manchuria;

Nanshan tobacco (南山煙) grows mainly in Kirin province and has four qualities, the particulars of which we will not describe. A mention, however, must be made of Nanhoutou tobacco (南湖島煙), having a historical interest. In view of its excellent quality this tobacco ussd to be presented to emperors; it is, therefore, known under the name of "the emperor's tobacco". The quoted author states that this specimen is losing its excellent qualities, being put on the market less and less every year.

Taoyan (北煙), Dabayan (大把煙) and Hamayan (蛤蟆煙) all grow in Heilungkiang province and each has a special quality, interesting only to scientists.

Acreage and Annual Crop

It is impossible to give accurate figures as to the acreage under tobacco, but the above-named writer gives the following table, worked out by means of complicated calculations (in hsiang 升):

Years	Mukden Pro.	Kirin Pro.	Heilungkiang Pro.	Total
1924	7727	24080	7216	39023
1925	7375	19836	6888	34099
1926	11071	23567	8200	42838
1927	24590	26236	9212	60038
1928	17213	28024	9991	55228
Increase for 5 years	122%	12,2%	38,4%	
Average acreage for 5 years	13597	24348	8301	

The Agricultural Section of the S M.R. Co. published a book in the Japanese language entitled *The Manchurian Tobacco* (1929), wherein we find the following figures relative to acreage in 1917 and 1918, derived from the statistics compiled by the Ministry of Agriculture and Commerce of China (農商部):

	1917	1918
Mukden province	11,398.1	44,416.6
Kirin „	46,947.9	49,327.6
Heilungkiang	13,888.9	12,203.0

When comparing these two tables we are amazed at the wide difference between the data given, and are inclined to give credence to the figures, worked out by A.E. Gerasimoff, as more conservative.

As regards the annual crop of tobacco, both the quoted sources give the following tables, comparison of which shows the same divergence of figures:

Annual Crop According to the C.E.R.:

Years	Mukden	Kirin	Heilungkiang	Total (in tons)
1924	5409	19431	3608	28448
1925	5163	15889	3444	24476
1926	5750	18854	4100	28704
1927	17213	20989	4606	42808
1928	12049	22419	4998	39466

Annual Crop According to the Chinese sources:

	1917	1918
Mukden province	5642	21150
Kirin „	22701	23712
Heilungkiang	13013	9201

While the quoted Russian author estimates the average annual crop per hsiang (升) to be 0.6-0.8 ton for Mukden province, 0.6-1.0 ton for Kirin province and 0.4-0.6 ton for Heilungkiang province, the Chinese sources give the following figures in tons per hsiang for the years 1917 and 1918, respectively, as cited in the named book of the S.M.R.: Mukden province—0.494 and 0.476; Kirin province —0,482 and 0.482; Heilungkiang province—0.934 and 0.756.

A perusal of the tables, depicting the acreage under tobacco and the annual crop returns for each year, shows that Kirin province is producing by far the greatest quantity of leaf tobacco and can safely be termed as the centre of the Manchurian tobacco cultivation. This statement might be affirmed by the annual returns of the Kirin-Changchun Railway, wherein the tobacco freight occupies a prominent place. When trying to solve the question as to how many families are engaged in tobacco growing we are confronted, in face of the absence of any published statistical material, with insurmountable difficulties. However, we should note that the Chinese farmer does not depend upon his tobacco crop alone; he plants other seeds in his lot, as kaoliang, millet, soya bean, etc. In other words, the majority of families grows it as a side produce, their budget being mostly founded upon other cultures.

Tobacco in the Mukden District

Next comes in importance Mukden province with its annual crop of about 10,000-15,000 tons, the Fenghuangchen district whereof deserves a special mention. In this district is being grown a species of fine tobacco of American origin, which is gradually winning a leading position in the tobacco trade. The climatic and soil conditions are said to be exceptionally favorable; besides, growers have good backing in the S. M. R. Co., which is reported in the press as having an intention to foster the cultivation of tobacco in the district. *The Manchuria Daily News* reports that the growers number about 100 families, including Japanese, Koreans and Chinese, who have organized amongst themselves the Tobacco Growers' Union with a view to raising the necessary capital. The total acreage in this district was 200 hsiang in 1929, growing in the next year to 450 hsiang with a total crop of 1,700,000 lbs. (from Japanese sources). It was at one time reported that the management of the British-American Tobacco Co. had become interested in the Fenghuangcheng tobacco, the main reason being the fine quality of the leaf, far superior to the Kirin tobacco.

Obsolete Methods of Cultivation

While the Fenghuangcheng tobacco growers, being constantly advised by the S.M.R. experts, are better placed in the sense of methods employed, farmers of Kirin and Heilungkiang provinces employ the superannuated methods of seeding, planting and harvesting, which in brief comprese the following operations: firstly—seeds require a preliminary period for growing, for which purpose the farmer plants them in the green-house, where they are kept for about two weeks; seeondly—seedlings are carried out and transplanted into the field in rows, 30 inches or thereabout from each other; thirdly—then comes a number of operations which are repeated the whole summer, namely, weeding the ground of harmful plants, removing certain heads and shoots to ensure the growth of the plant, irrigation at proper intervals, etc. Harvesting is being done in September and, as soon as the leaves are ripened, the farmer

delivers them on to the dealer's yard without regard to the fact that it would improve the flavor to ferment the plant for some time, as it is being done in more advanced countries. No dealer does this work, so the tobacco which appears on the market is of inferior quality, this being responsible for the low prices existing for Manchurian tobacco and the influx on the local market of the South China, Shantung and other tobaccos.

Relations between the tobacco grower and the dealer are just the same as exist among farmers and produce dealers in general, which was a topic of a special study in an article headed *The Plight of the Manchurian Peasant* in *The Review* for June 6, this year. Suffice it to mention that the farmer is firmly in the clutches of landowners, moneylenders and tobacco dealers through a system of future deals, by which 50-60% of the annual crop is sold by the peasants well ahead of the harvest. This system is responsible for the financial instability of every farmer, regardless of what kind of seeds he grows—which forces him to deliver the crop (in this case tobacco) just as soon as it is harvested. The Manchurian farmer has no idea of aging the tobacco, which is being done by manufacturers at their plants. Since he delivers the stuff without any treatment, he loses enormously.

Foreign Cigarettes Dominate

We have now come to the stage when we can take up the question of manufacturing and selling tobacco products, a study of which reveals the severe competition existing among various interests. While Kirin province might be termed as the tobacco producing centre of Manchuria, Mukden may he called the manufacturing centre, since in this city we find the greatest and most powerful cigarette factories. Other cities, as Newchwang, Harbin, Tsitsihar, also have cigarette factories of their own, but their importance is far inferior to those Mukden. It is impossible to state with any degree of accuracy details of the operation of each cigarette factory, therefore what we are going to state about each major factory is derived from the data taken out of the quoted book of the S.M.R.Co. and the reports, published by the research department of the C.E.R., Harbin.

(1) The Mukden factory of the British-American Tobacco Co. (英美煙草公司), established in 1919, comes, of course, first in importance and is said to control 60% of the entire tobacco trade of Manchuria. According to the Japanese data, the factory is equipped with 100 machines of most up-to-date pattern, among which are 50 cigarette-making machines, each capable of turning out 400,000 cigarettes in 10 hours. The daily output is estimated to be from 300 to 400 cases of cigarettes, each containing 50,000 pcs. At present, in view of the general trade situation, the factory is working at slow speed, only six cigarette machines being in operation. The number of operatives is said to reach 2,000 persons of both sexes, the Russians serving as overseers. The factory uses raw tobacco of every description, including the Virginia tobacco (American), Shantung, South China, Korean, and—to a certain extent—the Kirin tobacco, aging it from one to three years.

The company has an excellent selling organization and until recently, held a monopolistic position, snatched away by the appearance and subsequent growth of the Japanese, Russian and Chinese cigarette making concerns. Recent years were very trying for the company, since, apart from general stagnation of the trade, the company at times had to face the onslaught of the Chinese authorities, which now and then tried to enforce arbitrary taxes. Several times the company was obliged to close down the Mukden factory and, upon reaching some satisfactory settlement with the authorities, to reopen it again. Speaking of taxes we are unable to say even the approximate size of them paid yearly by the company, but judging by the fuss round this question it must be quite big.

The company has an agressive policy, lately absorbing the Russian concern of Lopato Sons, Ltd., Harbin. Of the best known brands of their cigarettes we might mention the "Hatamen" (哈德門) and the "Hungchiao" (紅橋), advertised in a most efficient manner.

(2) The Toa Tobacco Company (東亞煙草會社) represents Japanese interests in Manchuria and is the most formidable rival for the B. A. T. Co.. The company was established in 1906 for the purpose of exporting the Japanese tobaccos to Korea and China. In Korea it operated under the protection of the Monopoly Bureau of the Government General of Chosen; later, namely, in 1919, it increased its capital to Yen 10,000,000. and began to operate in Manchuria and China on an extensive scale, encroaching upon spheres dominated by the B. A. T. Co. The Newchwang cigarette factory was established in 1909 and began to flood the country with cheap sorts of cigarettes. The factory has about 1,100 operatives of both sexes, the Japanese serving as overseers. The Mukden factory of the same company is situated in the Railway Town and has about 1,000 operatives, also mostly Chinese. The company has also absorbed the Asia Tobacco Corporation (established in 1921), which has also a factory in Mukden. According to the quoted book of the S. M. R. Agricultural Section, the Toa Tobacco Co. holds about 25% of the whole tobacco sales in this country.

(3) The Russo-China Tobacco Co. (中俄煙公司), now closed, deserves a few words of comment in that it employed about 500 Chinese operatives and one time did quite a good business, but lately went down (in 1930) on account of the prevailing depression and inability to compete with such formidable opponents as the B. A. T. Co. and the Toa Tobacco Co.. At present there is a little hope for the reopening of the company.

(4) The Chinese interests are represented by the Nan-Yang Tobacco Co. (南洋兄弟煙公司) and the Hwa-Pei-Yan Tobacco Co. (華北煙公司). They are equipped with 4 and 6 cigarette making machines, respectively, with a possible output of 125,000 cigarettes a day.

(5) The J. J. Tchurin Co. (秋林洋行) has a cigarette making factory on the premises of their New Town branch store, Harbin, and employs about 100 operatives, It manufactures higher quality cigarettes, mostly for the Russian public. One time it surpassed Lopato Sons. Ltd., another Russian concern, but is now reported to be facing bad times.

(6) Lopato Sons, Ltd., (老把爹父子煙公司) was founded in 1912 and was doing quite a good business not only in Manchuria, but also in Siberia and the Russian Far East. The years of civil war in Russia were especialy favorable for the company, when it could sell its products in the vast Russian market, but when it came to an end and the Russian frontier was subsequently closed, the company had to operate in the limited Manchurian market, where the competition had by that time grown acute. Now it is reported that the company has been absorbed by the B. A. T. interests.

It is impossible for an outsider to state with any degree of accuracy the exact amount of Chinese taxes imposed upon cigarettes, but judging by the fuss made about taxation one might consider that the taxes are quite heavy and tend to rise. The quoted Japanese authority gives the following figures relative to taxes on cigarettes as they existed in 1929: (a) principal tax—Mex. $1.00 per case valued at $20.00; (b) surtax Mex. $0.43 and (3) stamp tax—Mex. $0.11, making Mex. $1.54 per case, valued no more than $20.00. It is absolutely impossible to figure out even approximately how much the provincial authorities receive in revenue from the cigarette tax annually, or—to say it in other words—what position this kind of revenue occupies in the annual budget of the North-Eastern provinces. Tobacco (and wine) dealers pay the following taxes (annually): (a) wholesalers—Mex. $40.00, (b) retailers—Mex. $16.00, $8.00, and $4.00, according to the size of the shop.

Imports and Exports

Thus, Manchuria has an established tobacco industry having every tendency to expand. Besides its own tobacco, Manchuria consumes great quantities of imported tobacco products, which might partly be illustrated by the following table taken from *The Goods Book of the Port of Dairen for 1930*, published by the S. M. R. (in tons):—

Years	Imported From Japan	China	Europe & America	Total
1925	2717	24751	3306	30774
1926	3036	24209	6574	33819
1927	7992	32136	3634	43762
1928	4452	34751	3074	42277
1929	2672	45942	5532	54146
1930	1697	42771	4033	48501

A special mention must be made on the imports of tobacco products (mostly cigarettes) from Soviet Russia, which factor is playing an important role in the higher grade tobacco trade, replacing—in some instances—the cigarettes of the local makes. According to the data collected by the C. E. R the following quantity of tobacco products was imported via Pogranichnaya (Suifenho) alone: 71 tons—in 1924, 2 tons—in 1925, 71 tons—in 1926, 108 tons—in 1927, 77 tons—in 1928. The figures given are not great, if compared with the imports from other countries, notably Japan. The reasons are that the Soviet tobacco began to appear on the Manchurian

market only a few years ago and that the qualities are almost unknown to the general public, except a limited number of the Russians, employed on the C.E.R. However, it is said that, on account of the superior quality and exceptional cheapness, the Soviet cigarettes are making a slow inroad into the spheres where the products of Tchurin & Co. and Lopato Sons, Ltd., have heretofore ruled unquestionably. Smokers assure that the retail prices of the Soviet cigarettes are so low for their quality that one can safely say they are being "dumped."

To complete our decription we might give a table of the exports of tobacco and its products by steamers via Dairen, derived from the same book of the S. M. R. (in tons):—

Years	Exported To Japan	China	Other Countries	Total
1925	5419	2566	1	7986
1926	6555	3810	10	10365
1927	7523	6826	74	14423
1928	6015	6049	—	12064
1929	5026	4584	—	9610
1930	5037	2419	1	7457

A brief outline of the tobacco industry in Manchuria, as we have tried to describe it in the preceding lines, shows that this industry is well developed and is mostly in the hands of foreign interests, engaged in a deadly struggle for supremacy in the Manchurian market. Returning to the subject of a projected monopoly on tobacco we consider it as premature; several years are bound to elapse before the government will be able to materialize this measure; too many obstacles are in the way, too great to surmount. If the Chinese cigarette-making establishments, of which there are several, are to hold their own in the struggle against their powerful foreign rivals, they should—in our opinion—make a combine of their own, to centralize production on the one hand, thus eliminating first of all useless competition among themselves, and introducing better methods of production, selling and advertising. This step one might consider as a preliminary to the future government monopoly system, if it is ever to take shape. Another matter, to which the government should pay the utmost attention, is the fate of the peasantry in general, and tobacco growers, particularly. Here is an ample field for enlightened work. It is hoped that leaders will begin to do something towards betterment of the lot of agriculturists. Without attaining this objective at least to a certain degree we consider this country will never have peace and prosperity.

Mukden, July 8, 1931.

Chinese Ban Sino-French Expedition

Dr. Chu Min-yi, head of the Chinese section of the Sino-French Scientific Expedition, in a telegram to the Central Authorities end of last week requested that the present arrangement with the French be immediately cancelled in view of the increasingly truculent attitude of the French members. The telegram, which was despatched from Suchow, Kansu, further stated that it is unsafe for the Chinese members to proceed together with the French party towards Ansi, which is reported to be now in the hands of bandits under Ma Chung-ying and is in an unsettled condition. Apprehension is entertained, he said, that the French members may resort too hastily to the use of the military tanks and firearms in the possession of the Expedition under such disturbing circumstances.

The State Council at Nanking July 14 issued an order instructing the Sinkiang and Kansu Provincial Governments immediately to forbid the Sino-French scientific expedition from making further studies in those provinces. The provincial authorities are instructed to give full protection to the French members of the expedition, but to escort them from Chinese territory.

Dollar Line to Inaugurate "Special Class" on Seattle Run

The Dollar Line announces the introduction of "special class" accommodations on the "President" ships plying between Shanghai and Seattle. The new service will commence with the s.s. *President Cleveland* sailing from Shanghai September 6 for Victoria and Seattle. The special accommodations will include "outside" staterooms, attractive public quarters such as lounge, smoking room and promenade deck, barber shop, beauty parlor and practically all the equipment offered in the first class passenger quarters, only, of course, on a slightly modified scale, according to an announcement made by George McCarthy, general passenger agent. "Special class" rates to Seattle range from G.$183 to G.$248, the latter fare including cabin with private bath.

Geo. Street, Adviser to Communications Ministry, Has Had Much Experience in Pacific Area

George Street, Commercial Representative, Radio Corporation of America and Radio Corporation of the Philippines, was recently appointed an honorary advisor to the Ministry of Communications to assist in the further development of the Chinese Government's international and domestic radio facilities. Mr. Street was born in 1897, a native son of Oakland, California. His radio career was started as an amateur. After attending Technical High School and receiving special tutelage in radio communications, Mr. Street set out at an early age to see the world aboard ship in the employ of the Marconi Wireless Telegraph Company of America. During the World War he was a member of the faculty of the University of California as an instructor in radio-telegraphy in the School of Military Aeronautics. After a year of business experience, Mr. Street again associated himself with radio activities with the newly formed Radio Corporation early in 1920. He has been with this organization since that time. He spent four years in Honolulu and another year in San Francisco in the trans-Pacific communication service and in 1925 was transferred to take charge of the Corporation's activities in the Pacific Northwest. As the manager of the Seattle office he gained a wider experience in the communication field, particularly in connection with communications to and from ships and remote points in Alaska. Prior to coming to Shanghai, Mr. Street was also the Commanding Officer of Naval Reserve Communications of the 13th Naval District and took an active part in organizing the Nation-wide Naval Reserve net-work in the United States. His duty in China is looking after the communication interests of the Companies he represents. China is the latest link to be connected to the vast R. C. A. world-wide communication system and his work in this country is closely affiliated with the Chinese Government Radio Administration.

Mr. Geo. Street, Commercial Representative, Radio Corporation of America.

Tibetan and Kokonor "Living Buddhas" Meet in Peiping

Accompanied by a large retinue, the Panchen Lama "Living Buddha" of Tibet, arrived in Peiping July 11 from Nanking. He was met at the railway station by Generals Chang Hsueh-ming (brother of the Vice-Commander-in-Chief), Tang Kuo-chen and Pao Yu-lin, a number of Mongolian princes and dukes, Kokonor representatives and hundreds of Mongolian and Tibetan students. The Panchen Lama will stay in Peiping for a fortnight, later proceeding to Hulunbar via Shenyang to spend the summer.

Sha-li-ya Hutuktu, "Living Buddha" of Kokonor, who has been elected by the people of Kokonor as delegate to the forthcoming Tibetan Affairs Conference, arrived at the Capital the same day. He called on the leading Government officials and General Ma Fu-hsiang, Chairman of the Mongolian and Tibetan Affairs Committee, to report on conditions in Kokonor. He also conferred with the Panchen Lama.

When he passed through Tsinan on his way to Peiping, the Panchen Lama was met at the railway station and given a hearty welcome by General Han Fu-chu, Chairman of the Shantung Provincial Government, and a large number of Buddhist co-religionists. Although he is returning to Mongolia, the "Living Buddha" of Tibet has announced that he intends to return to Nanking in the autumn to consult the Central Authorities concerning Sino-Tibetan affairs.

The Problem of Nationalizing the Masses

BY DANIEL J. LEE 李方根

IF we accept the axiom that the national flag is a national symbol and that to have respect for the national symbol is to show respect to the nation, then respect for the Chinese nation is wanting badly, judging from the general attitude of the Chinese people towards the national flag. There are many causes that have produced such a sad phenomena and the most important of all is that which was illustrated by our late leader, Dr. Sun Yet-sen. In the first chapter of "The Three Principles For The People" dealing with Nationalism, he well says that the Chinese are just like a handful of loose sand without any force of cohesion, which is only attached to the family or the clan. Referring to this, Dr. Sun says, "Chinese are willing to make any sacrifice for the good of a family or a clan, little realizing the existence of a Chinese nation. In order to preserve the ancestral unity, Chinese have always been ready to sacrifice even life or property and other things. The inordinate attachment to the ancestral idea is so strong that they are never willing to give up fighting regardless of how much they will have to sacrifice. With reference to the nation, there has been rarely such sacrifice." If only we admit the fact that in this time of ours, the attachment to the ancestral idea should be replaced by a national feeling, something can be done before it is too late.

Dr. Sun's analysis of the Chinese Psychology contains an undoubted truth which is universally accepted as one of the fundamental causes of Chinese Individualism. It is an optimistic sign that ever since the Chinese Revolution of 1911, occasionally there has been an expression of national spirit by the younger generation, especially the students. The student movements of every description, that occurred now and then, were unquestionably an expression of national spirit. The May 30th Incident, a tragedy unprecedented and an indelible disgrace still vivid in our mind, has shown our national spirit in the highest degree. Unfortunately, however, though people began to realize the importance of a national spirit so that we should devote ourselves to the nation rather than to a family or a clan, the masses, as a whole, are far from being national-minded; or if they are, the masses, who are illiterates, are far from being able to comprehend the term "Nationalism," which often leads them to such misunderstandings and misconceptions that they are wont to entertain a feeling of hatred towards foreign peoples or anything foreign. Thus Nationalism leads to anti-foreignism. Anti-foreignism is by no means a wise policy and will lead from bad to worse. After a close examination of the masses, national feeling has not deeply entered into the life of the Chinese. As a matter of fact, the term Nationalism conveys little meaning to them.

Wanted—Respect for the National Flag

To make the Chinese people national-minded and to impress them with a national feeling, the masses must be taught how to respect their national flag. Mere analysis by theory of the importance of Nationalism and to propagate the idea by slogans can only be understood by those who are highly educated, who, however, only constitute a minority of the Chinese people. These convey no meaning to the masses who make up the great bulk of the people. Many instances could be cited to show how Chinese are wanting in respect for the national flag. One of the most striking instances was the Review of the Chinese Boy Scouts in Nanking last year. It was held in Nanking on October 10 last, the double Tenth Festival. Most of the important officials of the National Government were present during the occasion. The flag officers, who carried both the National as well as the Party flags, were, as a rule, leading the troops during the procession. When the flag officers approached those officials of the National Government, curiously enough none of them seemed to pay any attention to the flags, as if they were a sort of decoration as common as any other flag which does not deserve our respect. But, when the Boy Scouts saluted the Nanking officials, they in showing their respect in turn, removed their hats. Are the Nanking officials ignorant of the significance of the national flag that to show respect to the flag is to respect the nation? or is the Chinese national flag too young to be recognizable! Not at all! As the leading men of the country do not show respect to the national flag, are the masses to be blamed for doing the same? Unjustifiable! The wrong with it is that the Chinese people are not accustomed to show respect to a flag. They have not formed such a habit as to show respect to any kind of flag whether National or Party nor do they realize the importance of such a gesture.

In European countries as well as in America, a national flag commands due deference; the people never fail to show respect to it, except in Great Britain where the King is more often used as a national symbol than the Union Jack which, strictly speaking, is not a national flag though it has a tendency to be. Besides, in Great Britain different banners are used for different purposes. "The King himself uses the Royal standard; ships of war carry at the peak the White Ensign; naval reserve vessels fly the Blue Ensign, and merchantmen the Red Ensign; while the troops march, and the Parliament meets, under the Union Jack; and all of these are freely displayed on occasions of public rejoicing." (Govt. of England, by Lowell) That the King commands more respect than any of the British flags is beyond doubt. In cinema theatres, the picture of the King is bound to be shown on the screen both at the beginning and at the end of the show, while the orchestra plays the national anthem. Accordingly, the audience are required to stand up. It is not uncommon, in Europe to witness how those peoples respect their national flags. Whenever a national flag is displayed on a certain occasion, people of all classes, either young or old, male or female, will not hesitate to show their respect. When troops march through the streets led by flag officers carrying the national flag, the pedestrians remove their hats while the ladies stand still. If a woman happens to have a baby in her arms, she will teach the baby to do the same. The motor vehicles and carriages stop for a few seconds. They respect not only their own national flag but the national flags of other countries also. Once a French friend of mine happened to drop into my room; the Chinese national flag that I had spread over on the wall above the fire-place attracted his attention. Immediately he asked me what kind of flag it was. When told that it is the Chinese national flag, he suddenly assumed a solemn air with due deference and stood still before the flag for a few seconds. Any Chinese would be taken by suprise for such an act. Some might think that the Europeans are merely making a fuss. True it is that we do not see any immediate effects or benefits that are derived from an act like this. But, this habit of showing respect to the national flag produces far-reaching effects, too important to be overlooked, though imperceptible. Our Japanese friends, referring to the Chinese National Movement in boycotting Japanese goods, remarked whimsically to their business men at home that the patriotic spirit of the Chinese people only exists for five minutes. This statement is absurd enough, nevertheless it contains this undoubted truth, that Chinese are not really nationalminded and that the national feeling has not deeply entered into their life. As soon as the National movement is over, they are liable to forget it.

This want of respect for the national flag is an educational problem, nay, an elementary one. It is too late to teach the grown-up people to respect a flag nor is it wise if any one suggests that the Government should enforce a law making the people show respect for the National flag. It sounds reasonable and possible, if not probable. After all, it is rather a mother's duty to teach her children from their cradle so as to let them form such a habit. Once the habit is firmly established in infancy, they, when grown up, will naturally and unconsciously respect the national flag. Simultaneously, those who are educated, and especially the leading men of the country have to show the masses an example whenever occasion occurs. As a matter of fact, the masses are prone to follow a leader. It is unjustifiable to blame the masses for their ignorance, it is rather the duty and the responsibility of the leading men to lead the ignorant multitude and to direct them to do what is deemed to be neccessary.

Shanghai, July, 11, 1931.

British Boxer Refund Trustees Hold Meeting

The Board of Trustees for the British Boxer Indemnity Refund held its fourth meeting July 4 under the chairmanship of Chu Chia-hua. Eight British and Chinese members attended. A total of seven resolutions was adopted relative to the deposit of the fund under the administration of the Board and the general principles regarding the awarding of grants to educational and cultural institutions. The next meeting of the Board is to be held at Shanghai on Sept. 4.

The Chinese Language in Fifty Ten-Minute Lessons!

BY PROF. W. A. SCHARFFENBERG

Lesson No. XXVII

RHYTHM

Rhythm is very important, therefore, acquire rhythm in both your speaking and reading. A famous sinologue has the following to say about rhythm: "A Chinese sentence may be constructed with faultless idiom, and each word be pronounced with perfect accuracy, and yet the sentence be almost or quite unintelligible, simply from want of proper rhythmical emphasis. By rhythmical emphasis is meant the relative amount of emphasis given to the several words, their distribution into groups, and the rapidity or slowness with which they are severally spoken. It is highly important to every speaker that he should acquire the art of speaking in correct rhythm, and by consequence with proper emphasis. Such acquisition will be invaluable in making his speech easily intelligible and in making it sound natural to the Chinese ear. The same thing is true to a greater or less extent of all languages.

"In addition to listening carefully to the spoken language heard every day and striving to imitate it, the best way to acquire a proper rhythm is to practice reading closely after a good teacher. Let the teacher read a short clause in an easy, natural tone, and the student follow, imitating faithfully both pronunciation and the rhythmic cadence of the teacher. Then let the teacher read the next clause and the student follow, and so on. The teacher should not read too far at one time, lest the student be unable to retain the rhythm in his mind. Special care should also be taken that the teacher does not read in a recitative or affected style. Chinese teachers have a strong proclivity to read in that measured sing-song fashion in which they recite their classics; and oftentimes when told that this is not what is wanted, they become impressed with the difficulty of what is required and resort to a loud pompous style which upsets all proper rhythmical emphasis, and is the farthest possible from the easy natural conversational style that is wanted. If the student has not a trained teacher, he should ask the assistance of a friend who speaks Chinese to explain to his teacher what is wanted, and give him a few lessons on natural reading. Half an hour's practice on reading each day will be a relief from the severer labor of memorizing, and will work wonders in enabling the student to speak Chinese, as the Chinese speak it. It should be remembered, however thot merely reading after a teacher will be useless, if not worse, unless the rhythmical emphasis of the teacher be really and faithfully imitated. This exercise may be profitably varied by reading in concert with the teacher."

CHARACTER STUDY

A number have requested that we give the Romanization of the new characters. Beginning with this lesson we are therefore giving the pronounciation in both the International Phonetic Script and the Romanization. The I.P.S. refers to the International Phonetic Script and the R. to the Romanization. We would call the reader's attention to the article appearing in the columns of this issue on the matter of phonetics.

Character No. 131 (寫3)
To write
Pronounced (I.P.S.) se, (R.) hsieh
The roof of a house and 寫 a magpie. The idea anciently expressed by the combination of this radical and the phonetic was to arrange or set in order the affairs of the house. Hence it has come to be used to express the idea of setting one's ideas in proper order on paper—to write.

Character No. 132 (字4)
A letter, a symbol, a character.
Pronounced (I P.S.) tz, (R.) tzu
A combination of 宀 a roof, and 子 a son or child. This character has a large number of meanings. It represents a child under the roof, hence the idea of offspring, also brood, to suckle. It is also used as a name taken after the age of twenty which name is used by close friends or relatives only. In these lessons it will be used chiefly as representing a character or letter.

Character No. 133 (朋2)
A friend, to associate, to match.
Pronounced (I.P S.) P'ËN, (R.) p'eng
An ancient character not representing two 朋 moons as many maintain, but rather representing a large bird, perhaps the phoenix. It was originally the picture of such a bird. It is stated that when the phoenix took to the air all other birds at once followed suit and followed after the phoenix. Hence the idea of to associate or to be friends.

Character No. 134 (友3)
A friend, a companion, an associate.
Pronounced (I.P.S·) iu (R.) yu
This character represents the right hands of two friends who are acting or working towards the same direction. It is friends only who can truly cooperate or work together.

Character No. 135 (千1)
A thousand, many, all, by all means.
Pronounced (I.P.S.) tʃen, (R.) ch'ien
The character represents ten hundreds or one thousand. It is very frequently used to express a large number or important and strange things.

VOCABULARY LIST

366. 寫字 — se tz — To write.
267. 寫得好 — se ti' RaV — It is well written.
368. 寫不得 — se pu' tË' —Unable to write.
369. 寫明 — se min — To write or state plainly.
370. 朋友 — pËn iu — A friend
371. 好友 — RaV iu — A good friend.
372. 一千 — i' tʃen — One thousand.
373. 千年 — tʃen nen — A thousand years.
374. 千百年 — tʃen pË nen — Over a thousand years.
375. 千萬年 — tʃen uan nen — Thousands and ten thousands of years.
376. 一千萬年 — i' tʃen uan nen — Ten million years.

SENTENCE WORK

285. 先生寫的字很好 —Your characters are very beautiful.
286. 我的朋友不多 —I have few friends.
287. 他是我的好朋友—He is a good friend of mine.
288. 那個人有一千多朋友—That man has more than a thousand friends.

念課

READING LESSON II

第二課 初來的外國人

若是不念中國書 不寫中國字 就是說不出中國話來 看見外國朋友 不怕說話 看見中國朋友不可以說話 有的時候要對中國人說一件事 但是說出來他們不懂 也有的時候中國人要對我們說一件事 說出來我們也不懂 到了中國 不可以說中國話 請問這個法子好麼

These simple lessons in the Chinese written and spoken language, the first of which appeared in *The China Weekly Review* on Jan. 17, will appear throughout 1931. Persons interested in a more intensive study in class work or by correspondence are requested to communicate with Prof. Scharffenberg, care THE HOME STUDY INSTITUTE, No. 25 Nihgkuo Road, Shanghai.

The Kailan Mines and Hoover*

BY EDWARD HUNTER

THE obscure phases of the early history of the Kaiping mining property, which was sold by negotiations through Mr. Herbert Hoover, include the exact position held by him with both buyer and seller. He was under salary to the Chinese as Chief Engineer to the Imperial Bureau of Mines, and at the same time retained his connection with the foreign mining interests who had recommended him for the job, and later were to purchase the Chinese property.

Mr. Hoover was in Australia when he received this offer to go to China. He was holding his first job outside of the territory of the United States. He had been sent there by the London firm of Bewick, Moreing and Company to untangle a mining situation in that country which had become exceedingly involved financially. He owed his post to the recommendation of his former employer, the well known American mining expert, Louis Janin, of San Francisco.

While in Australia Mr. Hoover not only showed his keenness as an engineer, but revealed he was a business man of no small caliber. He used the cables to inform his London employers of good promotion opportunities, and naturally he received a part of the accruing profits. His income as a promoter soon exceeded his salary as an engineer, and this has been pointed out as one of the significant factors in his early career. It revealed his ability to make use of every opportunity, the very thing that one would look for in an ambitious young man. Mr. Hoover was a business-like engineer, and that was all there was to it. He wasn't Santa Claus, and neither was he a sentimentalist. He was a businessman who wouldn't let the wool be pulled over his eyes, and who was accustomed to live in hard-boiled communities where he had "to go through the mill." Australia never has been much of a Sunday School territory, and the American West Coast in the days of Jack London is well enough known in "Wild West" folk lore not to be confused with the effete, softer East Coast.

Mr. Hoover Made His Own Way

That young Hoover was able to make his way there with his own hands and brain for assets, witnout a family tree to lean upon and other artificial supports, should react to his credit. If Mr. Hoover had acted as a Sunday School pupil in California and the mining regions of Australia he would never have been the figure he became. He would have been temperamentally unfit. This was his training school, and if there is an objection that the President of the United States should not have been involved in mine promotion enterprises, the obvious reply is that young Hoover had to learn somewhere, and was not satisned to remain in a medium-paying post all his life. His horizon was broader than that. That sounds very much like the American philosophy of life, and if it is to be criticized, the discredit should rest on the system as a whole and not on the individual who had to battle his way in that atmosphere. Mr. Hoover always did things "in a big way." Well, that is probably why the American people elected him President, because this typified the theme of their own ambitions. Hence when Mr. Hoover came to China as a young man it was only natural for him to continue the career he already had started with such conspicuous success. He was Chief Engineer for the Chinese, but he was not satisfied to become an "old China hand" collecting his medium-sized salary each month, drinking his whiskies and sodas and solving the world's problems "at the club" with his tongue and without eyes.

He was exactly what he had been in Australia, an engineer and a promotor. His position with the Chinese was not a full-time job, not a task requiring an eight-hour day over a desk. He continued in correspondence with Mr. Moreing, a partner in his old firm, and kept his eyes peeled. In fact, that is believed to have been part of the reason he was in China. The Chinese had intimated to the British firm that they could use a loan to help in the financing of their mines, and I am told that Mr. Hoover was asked by his employers who recommended him for the post with the Chinese to look over their property and advice in the matter. There was no secrecy about Mr. Hoover's connections.

Then the emergency arose. The infuriated Chinese staged the Boxer affair and the Russians overran the Kaiping Mining property as part of the retaliation. It appeared as certain as that celluloid burns in hades that the mines were doomed, so far as China was concerned. There was only one alternative. That was to put them under a foreign flag for protection. This would have to be in the main an artifice itself because the Chinese had no desire to give the property away for nothing.

Mr. Hoover was made trustee. This young man found himself embroiled in an international escapade and upon his shoulders rested the weight of the mining property. Russian imperialism in the Far East was unpopular everywhere except among the aristocrats of Russia who thought they had nothing to lose and everything to gain, for any blood shedding would be by the despised common people, and theirs also the inconvenience.

Mr. Hoover became trustee for the property. As an engineer and a businessman he could not help but realize that unles the Kaiping mines were put under Western direction they would continue as a sorry source of "squeeze." This is a basic fact and it would not be fair to the young engineer, in consideration of his later career and the accusations against him, to ignore these points of realism. He was thrown into an atmosphere of facts and not theories.

Chinese Needed Assistance

The Chinese were now even more than ever in need of assistance to develop their property. Negotiations were started to convert the firm into a Sino-British enterprise, under the flag of the latter for the sake of protection. It must also be remembered that those were the days when the Empress Dowager was in the saddle, and avaricious officials and cunning eunachs cared only to line their purses, and considered modern enterprises of any sort—railroading, telegraph or up-to-date mining,—as nothing short of the rankest heresy.

Mr. Hoover therefore facilitated the negotiations for the transfer to the British flag, the pourparlers in part taking place in a mud hut at Tangku. The question is how far the Chinese really intended him to go. He was their trustee. They understood virtually nothing about Western procedure. When control ultimately left their hands, they realized they had been playing with fire. But it was too late.

General Yuan Shih-kai, who later became dictator of China, took a foremost role in fighting the consequent sale of the mines. He issued stringent memorials to the throne. His first memorial was preceded by this explanation: "Subject: British merchants armed with a private agreement intended to encroach upon our land and the Throne is petitioned to instruct the Foreign Office to have the territory restored and the rights recovered."

He followed this up with a second memorial which was explained in a preface thusly:

Subject: The secret purchase of the coal mines by the British merchants who have had no intention to return same. Chang Yen-mao from the beginning to the end has been playing for time, and up to the present has not been able to recover the mines. The Throne is requested to instruct the Foreign Office and Chang Yen-mao to have the lost property restored as soon as possible."

The man referred to was Director-General of Mines for the Chinese Empire, and it was he who was sent to England to prosecute the case for recovery of the property. In the London *Times* report of the trial on January 20, 1905, his plight was graphically described:

He (Chang Yen-mao) then described how, a year ago, he had been denounced to the Emperor on a charge of "fattening" himself upon the proceeds of a fraudulent sale of Government property, that property being the mines in question in this action. In consequence of this impeachment he was deprived of his office of Director-General of Mines and was given a limit of time within which he was to recover the property under pain of severe punishment if he failed to do so. A button of the third rank was bestowed upon him, and he was allowed to come to England to prosecute this action."

It takes little insight into the machinations of imperial Manchu procedure of that day to know that if he came home without reporting a victory in court, he would lose his head without further discussion of the matter. That was all there was to it so far as he was concerned. He wasn't given any choice in the matter.

He won his case. Thereupon the *London Times* and the *Peking and Tientsin Times*, the former the most influential newspaper in the British empire and the latter the foremost one in North China, and both

* This is the third (and last) of a series on the subject of the Kailan Mines by Mr. Hunter.

A treat for Children

When the children begin to tire of the usual glass of milk, the usual egg, it is a certain sign they need variety. Brighten up their appetites by serving a bowl of Kellogg's Corn Flakes with cold milk or cream and honey or fruit. The children will take plenty of milk and like it. They will sleep better—feel better. For Kellogg's are exceptionally easy to digest. Always a healthful treat for children. No cooking required.

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Connell Bros. Company
17 The Bund, Shanghai.

organs of British opinion, became bitter against Mr. Hoover. Justice Joyce had referred in his verdict to "such a flagrant breach of faith as, in my opinion, could not be tolerated by the law of any country," and spoke of the fact that: "Incidentally, it appears by a letter of Mr. Hoover of March 22, 1901, that he actually took possession of some of the title deeds of the property by main force," and in referring to Chang Yen-mao, he added: "it has not been shown to me that his Excellency Chang has been guilty of any breach of faith or of any impropriety at all, which is more than I can say for some of the other parties concerned."

After the mailed excepts from the trial and comments thereon reached China, the *Peking and Tientsin Times* on April 14, 1905 editorially commented as follows:

"Though the principals in the events which have led to this regrettable litigation are happily not Englishmen, their policy has been carried out under the cloak of a British Company, and the representatives out here who have to bear the odium of their errors are Englishmen, and as the *Times* very correctly puts it 'Englishmen are jealous as to anything which affects the reputation which Sir Robert Hart has created for the Imperial Maritime Customs, which is synonymous for absolute integrity and fair dealing in Chinese estimation and completely holds, as it deserves, their confidence."

This appears to the writer as an unfair and prejudicial effort by the British newspaper organ to "pass the buck" after the adverse court decision. If there was to be any discredit attached to foreigners, it cannot be forgotten or ignored that it was Englishmen who were using others to pull imperialistic chestnuts out of the fire for them! The negotiations were conducted on behalf of a British firm, and it was only against its will that Belgian financing was accepted when it became difficult to raise money at home. The Chinese were not fooled about this, and in their documents referred virtually exclusively to the British.

Tientsin Paper Advises Against Further Litigation

The editor of the *P. & T. Times* used political foresight when he said in the same editorial: "Whether there is an appeal or no, therefore, we feel we have by no means heard the last of Chinese dissatisfaction with the way in which the company's undertakings have been carried out." The purpose of his editorial was to urge against an appeal to set aside the decision of Justice Joyce, declaring: "So much in regard to foreign good name and future commercial developments in China depends upon the ultimate issue of the company's affairs, that we deplore the apparent short-sightedness which suggests further litigation."

But there was further litigation. Mr. Hoover's connection in the case, which then was the least important phase of the entire matter, has now become for the American people the vital issue. Thus does history change the complexion of things.

Mr. Tong Shao-yi, one-time premier of China and who now is back in the political arena after a retirement of 20 years, was closely connected with the mining-property. When Hoover first became a serious contender in the presidential campaign Mr. B. W. Fleisher, the published of the *Japan Advertiser* of Tokyo, in spite of a serious illness which made travel extremely inadvisable, made a special journey to Tong's native village of Tonkawan in South China to get a statement from Tong absolving Hoover. Mr. Tong Shao-yi's statement reads in part:

'I have been informed that various persons in the United States and China have been making preposterous insinuations with respect to Mr. Herbert Hoover in relationship with transactions for the Chinese Engineering and Mining Company in China more than a quarter of a century ago.

"I believe I am the only Chinese now living who was closely identified with the Chinese Engineering and Mining Company at that time. It was founded by my uncle, Mr. Tong King-sin, and our family has always been among the largest shareholders. I make this explanation not only from a sense of personal gratitude but in the interest of justice and accuracy.

"These false rumors dating back to events which transpired 28 years ago seem to me wickedly inspired. Mr. Hoover's record in China was not only clean and honorable but highly creditable, and in many ways remarkable.

"The action brought by the Chinese at London in 1905 and to which these insinuation refer, was based on events which occurred after Mr. Hoover had left China in 1901 for the United States and had severed all connections with the company. He was not a defendant in the action, but he was a very important witness, and it was largely on his testimony that the Chinese won their case.

"Twice Mr. Hoover saved the Chinese Engineering and Mining Company for the Chinese shareholders and in the period immediately preceding his connection with the company, during the Boxer uprising, there is no accounting how many lives he saved. Though I have followed Mr. Hoover's career of international relief work through the long years that have passed since, I have always felt that his first actual relief work began in China.

"Mr. Hoover had come to China originally as an engineer for the Chinese Government. Following the flight of the Chinese Government to Sianfu during the Boxer rebellion in 1900, Mr. Hoover was offered, and he accepted, the post of consulting engineer for the Chinese Engineering and Mining Company. The shareholders comprised four different groups, which did not always work harmoniously, having diverse interests.

Foreign Troops Occupy Property

"One combined Chinese and German interests, there were two separate British groups and a Belgian group. The property since its organization in 1882 up to this time had not been financially successful, but its potential value was recognized. With the arrival of foreign troops to suppress the Boxer Rebellion, possession of the property became a bone of international contention. Properties of the company were practically seized and occupied by the troops of four foreign governments, Russia, Japan, Germany and Great Britain, although the company was Chinese.

"It was Mr. Hoover's prompt action which saved the company for the Chinese and other shareholders at that critical time. He went to London and reorganized the company. Following the reorganization, the Chinese insisted that they be represented on the Board and that Mr. Chang Yen-mao should continue as Director-General. Everybody concerned approved of this and it was so agreed in the form of a memorandum signed in February, 1901. Mr. Hoover was the one man in whom all the different nationals interested reposed confidence, and he was made the General Manager. He was not in charge of the finances, each group having its own separate financial representative.

"Later in the same year, the Belgians obtained control of the company and Mr. Hoover severed all connections with it and returned to the United States. Subsequently, the Belgian group failed to abide by the terms of the memorandum. A suit was instituted in British courts in England against the company in 1905. Mr. Hoover was not a defendant but was called as a witness and it was largely on his testimony that the validity of the memoradum was established and the Chinese won their suit and Mr. Chang Yen-mao was reinstated as Director General.

"In the 18 months Mr. Hoover was associated with the company as engineer and later as manager, he transformed the property from one that had been financially unsuccessful to a highly profitable enterprise which has continued to pay handsomely ever since.

"These are the facts as I recall them. But my admiration and respect for Mr. Hoover are based on his courageous work during the Boxer uprising.

"For a young man of 24 or 25, as general manager of a large international mining enterprise, Mr. Hoover carried unusual responsibilities and fulfilled them honestly, successfully and meritoriously. His salary was large for those days and for his years. I don't remember exactly now, but I believe it was G. $20,000 a year, and he was with the company 18 months."

The Importance of the Memorandum

The vital point in this entire statement concerns the memorandum. Mr Hoover signed that document. It was entirely separate from the transfer of the coal mines. was intended to be an agreement specifying and guaranteeing the Sino-British form of the firm, a partnership on a basis of equality and not a one-sided affair. It was this memorandum that the subsequent foreign owners sought to set aside on flimsy technical grounds, and it was not the entire recovery of the property, but the recognition of their partnership as promised in this memorandum, that the Chinese sought by their litigation.

In Yuan Shih-kai's first memorial to the throne this is the basis of his appeal. The British pulled down the Chinese flag and would only allow the hoisting of the Union Jack. Yuan Shih-kai says in the very beginning of his memorial:

"The operation of the Kaiping mines on a large scale has been going on for many years. The mines are the most important ones in Asia. In the Fifth Moon of the twenty-seventh year of Kwang Hsu, Chang Chi (Chang Yen-mao) presented a memorial to the Emperor in regard to the conversion of the undertaking into a Chinese foreign joint enterprise for the puopose of the protection of the Chinese mining property. In October last year (the twenty-eighth year) the Expectant Taotai Yang Shou Ching a staff member of the Kaiping Bureau and the local authorities, upheld the contention that the national Dragon Flag should be hoisted side by side with the British flag as a joint enterprise and accordingly had the Chinese flag hoisted, but the British Minister....in a letter to the Foreign Office complained of this matter and requested that an investigation be made. The British Consul General at Tientsin.... wrote requesting that the Dragon Flag be taken down. On mv way back to Tientsin from leave of absence I met the British Minister at Shanghai and pointed out to him that it was an insult to the Chinese nation to require the staff to pull down the national flag of China and contended that there was no reason why the Dragon Flag could not be flown over the premises of a Chinese foreign concern. The British Minister replied that the Kaiping Mining Co. had sold its property to British interests and the property had been registered in England. The mine is a purely British company and not a Chinese foreign joint stock enterprise, and as such he could not allow the flying of the Chinese Dragon Flag....

"On the 16th of last month I complained to the British Minister who happened to be in Tientsin and he maintained that the Kaiping Mining Company was a British firm and not a Chinese foreign joint enterprise, and in no circumstances would the status of the company be permitted to be altered, and the status of the company might be altered by legal means, and that even if legal action was taken, the utmost the Chinese could get out of it was a larger percentage of bonus.

"As the larger portion of Chinwangtao was occupied bv the Japanese troops, I approached the Japanese commander in a friendly spirit for the evacuation of same. The reply of the Japanese Commander was that the land his troops occupied belonged to the British interests and he could not comply with my request."

Attempt to Dodge Responsibility

The crux of the entire matter, therefore, lies in the recognition or the repudiation of the memorandum signed by both parties guaranteeing the property to be a Sino-foreign enterprise. The dishonest part of the entire affair plainly enough was in the effort to dodge this responsibility, and in this Mr. Hoover had no part. He had left China by then, and the European financial groups were the ones to attempt this. Mr. Hoover as reported in the *London Times* of February 4, 1905, said at the trial: "He thought the two documents of February 19, 1901, were equally binding. He had tried to carry out the provisions of the memorandum. So long as he was in China he thought he had succeeded."

Mr. Hoover's testimony was largely responsible for the Chinese victory in their court case, and it was only to be expected, therefore, that there would be an attempt to pass the opprobrium onto his shoulders, for he was merely a young American whom they were trying to use for their own purposes.

Because of the vital importance of this memorandum which was signed along with the transfer, it is published in full below as reprinted in the *Peking and Tientsin Times* of December 2, 1902.

MEMORANDUM

Relating to the Organization
of the
Chinese Engineering and Mining Company

In consequence of the disturbance of last Summer and the state of hostilities thereby created, serious danger arose for the status of the Chinese Engineering and Mining Company.

One of the dangers being the confiscation of the property on account of the Company's semi-official character in connection with the Chinese Government and another in the eventual cession by compulsion of the Company's property.

In consideration of these eventualities it was thought in the interest of the Imperial Government and the Company's shareholders to convert the undertaking into an Anglo-Chinese Company registered under English laws and protection.

(*Continued on page 280*)

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

How the Boycott Movement Is Killing India's Foreign Trade

BY EDGAR SNOW

(Written for the Consolidated Press Association of America)

A FEW days ago the Bombay Working Committee of the Indian National Congress issued an appeal for 1,000 new volunteers to carry on the work of picketing this district. Over 2,000 responses were got, out of which about 150 workers were chosen, most of them young men and women. They are now doing picket duty in front of shops selling foreign cloth, drugs, liquor and other imported merchandise. Their activities are said to be more effective, because more efficiently and comprehensively organized, than during the more intense period of the civil-disobedience campagn. This procedure is the answer of local Nationalists to the pleas of harassed merchants for the cessation of the boycott.

In large cities all over India the potent boycott machine appears to be functioning with a thoroughness nearly equal to and in some instances surpassing the zeal with which it operated six months ago. According to the terms of the "Gandhi-Irwin" Pact the ban on British goods, as such, was to cease. But there was no restriction against a general "exclusion" movement directed toward all foreign goods. It is upon that basis that the boycott has been renewed. Nationalist leaders were quick to sense this loophole in the Pact (to which they now refer as "The Truce"). With the ostensible aim of promoting "Swadeshi" —Indian industries—the boycott continues much the same as previously.

Bombay Congress workers no longer confine themselves to picketing. Unsatisfied merely with preventing merchants from buying foreign cloth, they are now engaged in a scheme for re-exporting stocks on hand. A company organized by Indian "Swadeshi" men, manufacturers and mill-owners, has begun buying up some of the millions of yards of unsold cotton goods in Bombay, with the object of marketing them abroad at heavy discounts. A similar project is reported to have been launched in Calcutta.

Many merchants have been induced to make pledges with Congress representatives in which they agree not to engage in trade with foreign goods. Hundreds in Calcutta, Bombay, Delhi and Madras are said to have signed such agreements. Congress committeemen, meanwhile, actively patrol their neighborhoods to see that the promises are kept. One important town, Barisel, is alleged to be "100% Khaddar"; all its merchants have undertaken to sell only Indian-made cloth.

Wholesale Decline in Foreign Piece Goods

Reports from Dhampur, Rangpur, Barisal, Aimers, Allahabad and Indore indicate that the dealings in wholesale piece-goods of foreign make show a heavy decline over last year. In several of these districts retail sales of non-Indian cloth also have practically ceased.

"In Madras," writes the correspondent of the leading English newspaper in Calcutta, "an intensive campaign against Lancashire goods has been carried on. Dealers both up-country and in the city of Madras sit idle in their shops and although their shelves are bare of stocks they refuse to buy a single package without an actual order in hand. Meanwhile it is remarkable how rapidly the 'Swadeshi' shops are increasing in the bazaars. These 'Swadeshi', or Indian cloths, are rising out of all proportion to their market value and are costing the people more than the much better stuffs of British make that are banned by the Congress boycott." Madras was formerly the third largest taker of British imports in India.

On the streets of Calcutta, Delhi, Bombay, and even within a few blocks of the Viceregal Lodge in Simla, the writer has seen groups of Congress volunteers campaigning against foreign goods. They are nearly always orderly, and generally are neatly dressed. They invariably wear homespun. Most of them are young men, led by a few respectable looking elders. Sometimes there are girls and women among them. They all wear committeemen's badges, carry Congress banners, and as they march through the streets sing songs or religious hymns, and shout slogans. Some of their placards, which are often printed in English, read:

> "The sin of the last 150 years is tied up in bales of foreign cloth; do not buy it!"
>
> "Obey the National Congress; boycott foreign cloth and drugs!"
>
> "It is equally sinful to buy, sell or wear foreign cloth. Buy Khaddar (Homespun) and help feed the poor and get Swaraj (Self-Government) for India."
>
> "Don't drink alcohol in any form, but especially avoid the sinful foreign brands."

Methods of carrying on the boycott are standardized all over the nation. Volunteers act as pickets, either singly, or in groups, before all shops selling foreign cloth, drugs or drink. They warn customers not to buy, and tell them the names of stores dealing in "swadeshi." They call, as often as necessary, upon unpatriotic shopkeepers, putting before them the national case against imported stuffs. They distribute leaflets showing the advantages of the boycott to the individual as well as to the nation. They organize singing parties and processions and tour through localities from which is drawn the buying public for the area being picketed. They hold mass meetings and exhibit lantern slides showing how Khaddar is made, and deliver lectures telling the people the purpose of the Nationalist movement, and the reasons for the present boycott.

Sometimes they form deputations to call upon shopkeepers and request them to abandon trading in foreign goods and handle Swadeshi exclusively. Others concentrate on the mill-owners, whom they induce to persuade foreign-cloth dealers to dispose of their stocks, so that they may be re-exported to foreign countries. Any kind of coercive, violent or physical interference is strictly forbidden. Few instances of it have been reported.

The devastating effect of the movement is revealed in the remarkable comparisons of foreign trade over the last two years, and especially over the first four months of this year. According to figures just released by the European Association of Bombay, "the decline in imports of cotton piece goods for the financial year ended in April, 1931, as compared with the previous financial year, amounted to more than 1,000 million yards." The actual import figures for 1929-30 were 1,919 million yards while those for 1930-31 were 890 million yards.

It is the opinion of the European Association that the staggering decline is due principally to the higher import duties, which took effect on April 1, 1930, and to the national boycott on imported piece-goods, "but it is impossible to estimate with any accuracy which factor was the most damaging." Calcutta's imports fell from 857 to 345 million yards, Bombay's from 518 to 181 million yards, Madras' from 107 to 76 million yards, and Karachi's from 292 to 181 million yards.

British the Principal Losers

The great weight of the losses was born by the British. Japan in many lines showed sharp advances and in some instances for the first time wrested leadership from her European competitors. The United Kingdom's greatest losses were in piece and bleached goods—which were Japan's greatest gain. In artificial silk the total imports were 51 million yards, compared with 57 million in 1929-30, but Japan's imports amounted to 38 million yards against 25 million the previous year. In cotton yarns the total imports for the year were 29 million pounds compared with 44 million last year—a fall roughly of 34 percent. England's share dropped from 20 million to 10 million pounds while the Sino-Japan portion increased from 7 to 11 million pounds.

The Association's statement shows that what is believed to be the most staggering regression ever recorded against British trade in India occurred during the first four months of this year. In the January-April period of 1931 India imported but 139,917,000 square yards of British cotton goods as compared with 478,362,000 yards for that quarter in 1930. The latter figure represented a very heavy drop from the import figures over the same period in 1929, which was itself considered a bad year.

Trade in Indian "Swadeshi" and "Khaddar", one would assume from this, must be picking up. It is. Indian goods for use as "dhotis", "saris" and loin cloths are said now to dominate the markets in Bombay and Calcutta, for the first time in memory. More Indian-spun goods of this kind, it is reported, were sold during the January-April period of this year than ever before. Bengal province, of which Calcutta is the chief port, actually imported more of

this particular style of the Indian-made cloth—largely from Bombay—than it imported either from England or Japan. In that line import figures over the period mentioned were: from Japan, 12,643 packages; from England, 1,746 packages; and from Bombay and elsewhere in India, 13,895 packages. This does not include the quantity brought overland, which probably bulks at least as large.

It is now obvious that the fundamental character of the boycott has radically altered. From the uncertain political weapon of a year ago it has become an economic bludgeon that carries a tremendous threat. It is almost certain to result in permanent changes in the industrial life of India. Already a score of new Indian mills are turning out augmented yardage of "Swadeshi" in Bombay, Ragpur and Ahmedabad. More are being built by Indian capital. British traders fear that the longer the boycott lasts the more difficult it will be for England to recapture even a part of her lost Indian markets.

Gandhi Fosters Movement

Mahatma Gandhi, who more than anyone else is responsible for instituting and fostering the present movement, favors its indefinite continuance. Curiously, however, he still appears to believe it is possible to replace machines with handlooms. He refuses to be dissuaded from his dream of a "Khaddarclad" nation.

"The boycott," he recently said to the writer, "is primarily invoked for the welfare of the masses, and not for the sale of Indian mill-made cloth. There are in India about 200 million villagers and agrarians, a large number of whom live constantly on the brink of starvation. For nearly six months of the year they have no employment. We must find some supplementary occupation for them. The only thing that all of them can do is to spin cloth by hand. In order to make this occupation profitable we must buy their 'khaddar'. To secure the market for it at present it is necessary to employ the boycott of foreign cloth."

Yet your correspondent has heard many Indian businessmen express the opinion that the boycott has lost its usefulness. Some of them have even made protests to the Government, asking for intervention. In the newspapers there have appeared appeals from prominent and patriotic Indians (among them is Rabindranath Tagore) who urge that the activities of the pickets ought to terminate.

Indian businessmen have felt the effects of the boycot quite as disastrously as the British. Many who willingly supported the movement when it was purely political now believe that Dominion status is assured and they want to return to normality. Some of them, although patriotic men, think that further extension of the boycott will accentuate the present misery of the very classes it is aimed to help—the peasants and workers. They declare that Gandhi's scheme of reviving hand-spinning is fantastic, retrogressiye and fails to recognize the inescapable and elementary facts of modern civilization. They assert that the boycott is simply going to result in the nascence of a new crop of millionaire mill-owners in Bombay, at the expense and hardship of the mass of the people.

To these critics Gandhi replies that he has made mistakes before, and admits that his plan may be another, but that until someone advances a better solution to the agrarian problem he will not abandon his. "However," he retorts, "even supposing that it does result in making some Indian millionaires, I hold that it is healthier that we have them in our own country rather than in England or Japan. Here we can get at them. We can make them come to terms with us and observe the rights of their fellow men. That is something we have never been able to do with the Lancashire millionaires."

Taj Mahal Hotel, Bombay, India, July 9, 1931.

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In the Fields of Finance and Reconstruction

Board Formed on Conservancy Work in Hopei

The Hopei Provincial Government has organized a Waterways Planning Committee to take charge of affairs for the dredging and conservancy of rivers in Hopei in order to improve water communications in the province. The Committee will be inaugurated next month.

Insurance of Government Properties Must Be Made with Chinese Companies

The Executive Yuan, in a circular order on July 9, instructed that the insurance of all Government property and Government enterprises must be made with Chinese insurance companies. The ruling conforms to a resolution adopted at the National Industrial and Commercial Conference held at Nanking last October.

Nanking Seeks Expert Aid from League in Factory Reform

With the new Factory Law to become effective in August, the Ministry of Industries is arranging with the League of Nations for three expert members from the International Labor Office to assist in its task of factory reform. As a number of the factories in China are either foreign-owned or are located in the foreign concessions and Settlements, it is hoped that the various obstacles now anticipated will be harmoniously overcome.

Nanking Plans Establishment of Agricultural Institute

The Ministry of Industries is perfecting plans for the establishment of a Central Agricultural Research Institute at a cost of $2,000,000. The head office of the Institute, according to the plans, will be at Nanking and under it there will be established the following departments: a sericulture department at Shanghai, an aquatic products department at Tsingtao, a tea department at Anhwei and a forestry department at Harbin.

Japanese Exports to China Slightly Increased During June

A *Rengo* telegram dated Tokyo July 11 stated that Japan's trade with China inclusive of Kwantung and Hongkong, during the month of June showed an export excess of Y3,927,000—the exports being Y24,286,000 and the imports Y20 359,000. The total amount of the exports to China since the beginning of the year is Y140,677,000 and the imports Y142,616,000, showing an unfavorable balance of Y1,397,000.

Establishment of More Granaries Urged by Ministry of Interior

Establishment and expansion of granaries in various localities are urged by the Ministry of Interior in a circular order to the various Provincial and Municipal Governments in view of the bountiful rice harvests this season. The measure is taken with a view to protecting the poor farmers, so that they may not be forced to sell their surplus at a heavy loss. At same time, the storage in the granaries will prevent the recurrence of a food shortage in the country.

New Central Machine Works Calls for $3,100,000, Project Approved

In order to hasten the industrial development of China the Ministry of Industries is planning to establish a Central Machine Works and has submitted the scheme to the Executive Yuan for approval. The project will call for $3,100,000, of which sum, the Ministry proposes, $2,500,000 be appropriated from the British Boxer Indemnity Refund and the balance by a loan from the Manufacturer's Bank of China. The site of the projected plant will be at Sanchiaho in Nanking and will cover an area of 1,000 mow.

The plan was approved at a meeting of the Board of Trustees for the British Boxer Indemnity Refund held on May 2, 1931. Negotiations for a loan from the Manufacturers' Bank of China are also being made. The loan will be secured on the machinery and equipment purchased from Great Britain for the factory.

French Municipal Council to Erect New Administrative Headquarters

According to a recent announcement by officials of the French Municipal Council, a series of new and up-todate administrative buildings will be shortly erected in the Concession to house the various bureaus. Two lots of land have already been acquired, one embracing 15 mow 6.2.7. and located on the north side of Avenue Joffre and the east side of Rue Lorton. The second lot adjoins the first and embraces 20 mow 9.7.9. lying beyond Avenue Joffre and Rue Paul Henry.

Legislative Yuan Approves Trade Bureau Regulations

The Legislative Yuan at the meeting on July 11 approved the regulations governing the organization and function of the International Trade Bureau under the Ministry of Industries. The object of the Bureau is to investigate into Sino-foreign trade conditions, foster foreign trade and promote the economic welfare of the people. It will function through four departments: the General Affairs, Direction and Information, Statistics and Compilation Departments.

New Motor Bus Service Inaugurated Linking Tihua and Kalgan

A motor bus service linking up Tihua, the Sinkiang Provincial Capital, with Kalgan, the Charhar Provincial Capital, will shortly be inaugurated, according to a *Kuo Min* report from Tientsin on July 13. Trial motor trips conducted between the two cities have proved satisfactory. When the service is in regular operation, a trip which now takes nearly a month may be effected in only 10 days. A consignment of ten motor buses ordered by the Sinkiang Provincial Government are on the way to Tihua from Kalgan.

Land in Ninghsia Province to be Reclaimed by Convict Labor

The Ministry of Judicial Administration announces that the province of Ninghsia, a sparsely populated territory with extensive arable land, has been designated as the experimental district where land reclamation is to be undertaken by convict labor. The scheme, if successful, will be extended to other border regions in Charhar, Suiyuan, Jehol and Kansu Provinces. Wang Tsu-hsiang, President of the Ninghsia Provincial High Court, has been instructed by the Ministry to select untilled areas and report to the Ministry.

Harbin Merchants Urge Ban On Russian Goods

The Harbin Chamber of Commerce, in a petition to the Northeastern Political Affairs Committee, urges that prior to the conclusion of a new Sino-Soviet Commercial Treaty, importation of Russian goods into Manchuria should be strictly prohibited. The dumping of large quantities of Russian goods into North Manchuria has seriously affected the trade of Chinese merchants; it is asserted that during recent months, about 70 train-loads of Soviet products have been transported every week through Suifenho and Manchuli, on the Manchuria-Siberian border, into Kirin and Heilungkaing.

Hankow Municipal Government Reorganized with Reduced Expenditure

The Hankow Municipal Government has been reorganized in accordance with a decision of the Hupeh Provincial Government. As a result of the reorganization, the regular administrative expenses will be reduced to about $19,000 a month, of which $15,000 are for salaries, $300 for ordinary administrative expenses and $1,600 as a reserve for emergency needs. In view of the reduction in expenses, the new Municipal Government is to be organized on a much smaller scale. In place of six Bureaus and other subsidiary organs under the former administration, there will be only three Sections to take charge of the various municipal affairs. But the following minor organs will be established: Municipal Hospital, an office for Chunshan Park, Institute for the Poor, Women's Refuge, Loan Agency for the Poor, a Municipal Health Office and a Crematorium.

Ministry of Interior to Study Development Plans for Peiping

Comprehensive measures for the revival of the propserity of Peiping submitted by Chu Chin-lan, member of the Control Yuan and well-known philanthropist, have been referred by the Executive Yuan to the Ministry of Interior for consideration and action. The program calls for the conversion of Peiping into a real center of culture and an attractive residential area, besides development of industrial undertakings. The Central Authorities are requested to entrust the task to the municipal autonomy organ of Peiping and render the necessary financial assistance.

2,000 Local Factories Being Investigated

With a view to improving the labor conditions, an investigation of no less than 2,000 factories in Greater Shanghai Municipality is being conducted by the Directorate of Statistics of the National Government, in conjunction with other Government organs and educational institutions. The work is expected to be completed by the end of the present month. The factories under inspection include silk piece-goods factories, silk-weaving factories, machine works, silk filatures, textile mills, foundries, cotton mills, printing shops, cigarette factories, rubber works and hosiery mills.

June Witnesses Great Progress in Construction in French Concession

Statistics of the Public Works Department of the French Municipal Council reveal that a total of 146 permits were issued for construction of various buildings during the month of June in the French Concession. Among the 146 permits, 119 were issued for the building of Chinese houses and shops and 27 for foreign houses. As compared with figures for the previous month, foreign houses show an increase of 12 buildings. Chinese houses and shops led the way. Many houses have also been altered and repaired during last month, a total of 182 permits for these purposes having been issued.

Loan Drawings Held Here Before Banks' Representatives

The fifth public drawing for redemption of part of the principal of the 18th year (1929) Troops Disbandment 8% Internal Loan was held on July 10 at the Shanghai Bankers' Club under supervision of representatives from the leading local banks and Shanghai Chinese Chamber of Commerce. Loy Chang, director of the Loans Department of the Finance Ministry, officiated. The terminal numbers of the bonds drawn here were as follows: 12, 29, 48, 65 and 79. Bonds to the value of the $2,500,000 will be redeemed. Payment will be made through the Central Bank of China, the Bank of China and the Bank of Communications.

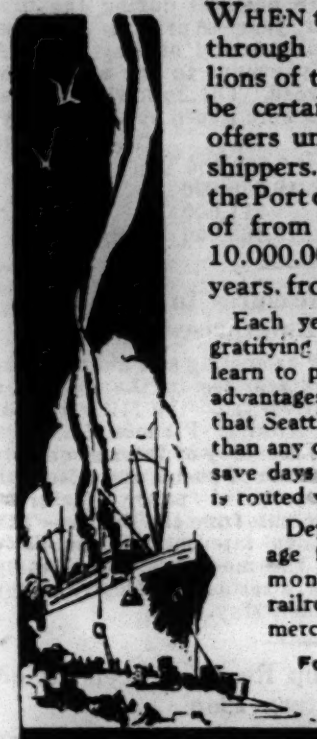
Embankment House Ready for Occupation Next December

The $2,550,000 Embankment House on North Soochow Road, which has been under construction for almost a year, will be completed in December this year and ready for occupation, according to a report in the *Shanghai Evening Post*. The building, when completed, will be one of the city's largest structures. Situated on the north bank of the creek and within sight of the Whangpoo River, it is well adapted for both business and residential purposes. Bordering on four streets, North Honan Road, North Soochow Road, North Kiangse Road and Tiendong Road, the Building will have four main entrances, one on each thoroughfare. It will be eight stories high with an additional two-story tower.

Sub-offices of Navigation Bureau to be Opened at Minor Ports

Opening of sub-offices at the secondary ports to be affiliated to the four recently established Navigation Bureaus is planned by the Ministry of Communications. It is learned that the work of registering and examining ships and vessels, which has hitherto been in charge of the Maritime Customs, will be immediately taken over by the Navigation Bureaus. Control of lighthouses and other signal stations on shipping routes, designation of moorings for ships and collection of tonnage dues will still be under the Customs Harbor Department. The main responsibility of the Navigation Bureaus will be the improvement of navigation affairs and the expansion of the country's shipping enterprises.

Millions of tons *increase* in SHIPMENTS!



WHEN the shipments passing through a port increase millions of tons per year, you can be certain that such a port offers unique advantages to shippers. Such is the story of the Port of Seattle...(an increase of from 5,496,000 to nearly 10.000.000 tons per year in ten years, from 1919 to 1930).

Each year the increase is more gratifying each year *more* shippers learn to profit by Seattle's unique advantages... chief among which is that Seattle is *closer* to the Orient than any other American port. You save days when your merchandise is routed via SEATTLE.

Departures and arrivals average fifteen each way every month. Six transcontinental railroads to further speed your merchandise.

For full particulars write Traffic Department

the PORT of SEATTLE

Woollen Factory on Grand-scale Urged by Shanghai Merchants

Establishment of a large-scale Government Wollen Factory for the manufacture of woollen piece-goods to meet domestic demands in China is urged by the Greater Shanghai Chamber of Commerce in a petition submitted to the Ministry of Industries. The petition points out that woollens have become one of the necessaries of the people, the value of the annual imports of woollens and serges having mounted to the startling figure of Taels 50 millions. Notwithstanding such colossal demand, no serious attempt has been made by the Government and merchants to establish factories to produce woollens in competition with imported foreign manufactures. During the past few years, a few small woollen factories have been opened but these can scarcely affect in any way the continual influx of foreign woollens. After pointing out that China possesses excellent sources of raw wool for woollen manufacture, the petition urges that as the establishment of a native woollen manufactory is indispenssable to meet the needs of the people as well as to stop the further outflow of China's national wealth, concrete steps should be immediately taken to give effect to this proposal.

Japanese Firm Fills Huge Soviet Order for Dynamos

According to a *Rengo* dispatch from Tokyo on July 9, the Mitsubishi firm has succeeded in getting a large order for dynamos and other electric machinery valued at 2,000,000 yen from Soviet Russia for a steam power plant in Vladivostok. The contract was secured through the influence of the Soviet Trade Commissioner and the first consignment of the electric materials ordered, valued at Yen 50,000 are expected to be delivered to the power-plant immediately. Under the Five-Year Plan, Soviet Russia is planning to install power stations in various parts of the Maritime Provinces of Siberia, but, according to the same *Rengo* report, the Japanese firms are little interested in the Soviet orders, although some of them have been approached by the Soviet to supply the required materials.

S. M. Railway Registers Sharp Decline in Business

A Tokyo dispatch carried by *Rengo* under the date of July 14 reported that the South Manchurian Railway has registered a sharp decline in business during the first quarter of the current fiscal year—April to June—as compared with the corresponding period of last year. A total decrease in the Railway's revenue to the amount of Yen 2,603,000 has been recorded. The following figures showing the receipts and losses were issued by the Railway:

	1931	Decr. Over 30
Passenger proceeds	Yen 2,073,000	Yen 1,439,000
Freight proceeds	16,378,000	999,000
Warehouses, etc.	711,000	164,000
Total	19,163,000	2,603,000

Ministries Discuss Measures to Promote Newspaper Enterprises

To formulate measures for promoting and aiding in the development of newspaper enterprises in the country, a joint conference of representatives from the Ministries of Interior, Education, Foreign Affairs, Finance, Railways and Industries was held at the Ministry of Interior on July 14. Matters dealing with reduction of postal and telegraph rates, establishment of newsprint paper factories, exemption of newspaper concerns from the Business Tax and launching of an extensive international publicity campaign were discussed at the meeting. The meeting was held in accordance with a resolution adopted at the National People's Convention last May.

Nanking and Cuban Group Reach Agreement on Sugar Factory Plan

In connection with the scheme of establishing sugar factories in China with the financial and expert co-operation of Cuban sugar interests, a tentative agreement is announced to have been reached by Dr. H. H. Kung, Minister of Industries, between the Ministry and the Cuban International Corporation at Havana. Negotiations have been under way for some time with the Cuban sugar interests and a definite scheme has been evolved, Dr. Kung stated. According to the draft agreement just entered into, the initial capital for the establishment of sugar factories has been fixed at G$5,000,000 and the main factory will be in Shanghai with branch factories at several other leading ports in China.

First Convict Labor Farm to be Established at Paikwachow

Paikwachow in Nanking, has been designated by the Ministry of Judicial Administration as the district for the establishment of the first Convict Labor Farm, a *Kuo Min* dispatch reported from Nanking on July 13. The initial cost of the project is estimated at $140,000. Arrangements are being made by the Ministry with the Nanking Municipal Government for the appropriation of a site of 20,000 mow of public land at Paikwachow. The farm will be used as a preparatory ground where convicts will be trained in the technique of farming prior to being dispatched to frontier regions to engage in the reclamation of waste land, in accordance with the scheme recently announced by the Ministry.

June Is Record Building Month in Chinese City, 267 Permits Issued

Two hundred and sixty-seven permits for the construction of new buildings covering a total area of 146,000 square meters and costing approximately $2,240,000, were issued by the Bureau of Public Works of the City Government of Greater Shanghai during June, according to statistics published in the *Shanghai Evening Post* on June 9. The number of the permits during the month shows an increase of 75 as compared with figures for June last year and one-third increase over those of May, this year. Chapei continues in the lead for building activities in the various districts under the control of the Bureau, with Nantao a close second and Hungjao district third. Residential buildings remain at the top of the types of new structures started in June. Shop buildings come next. Other types of buildings occupy at negligible position in the list.

During the month 226 permits also were issued for remodelling and repairing, for miscellaneous purposes and 40 for demolition of old houses for re-development.

Nanking-Peiping Airmal Service to be Resumed at End of This Month

The Nanking-Peiping Airmail Service of the China National Aviation Corporation, which has been suspended for almost a month, will be resumed by end of this month, according to a report in the *Shanghai Evening Post* on July 11. New motors, capable of developing 400 h.p. are being installed in seven Stinson planes on this line. Pending resumption of the line, airmail for Peiping or other cities is being carried by the Eurasia Aviation Corporation planes.

First China-built Locomotive Makes Successful Trial Run

The first locomotive built by the Tangshan railway workshop of the Peiping-Liaoning Line has just been completed, according to a *Kuo Min* telegram from Tientsin on July 7. The new engine was driven to the Tientsin Station on July 6 on its first test and its arrival was witnessed by a large crowd at the station. Slightly larger than the ordinary locomotives used on the Line, the new engine compares favorably with those of foreign manufacture. The locomotive parts are stated to be as good as those produced in Great Britain or Germany. According to the plans of the Peiping-Liaoning Railway Administration, four more locomotives are to be manufactured by the workshop in the immediate future.

Kiangsu Provincial Loan Redemption Drawings Held at Chinkiang

The second public drawing for redemption of part of the principal of the two Kiangsu Provincial Loans (the Kiangsu Provincial Reconstruction Loan and the Kiangsu Provincial Rehabilitation Loan) was held on July 10 at the Chinkiang Chamber of Commerce before representatives from the Government organs and various local financial and civic bodies. Terminal numbers drawn were 13 and 37 for the Reconstruction Loan; and 6, 13 and 67 for the Rehabilitation Loan. Bonds to the amount of $200,000 and $210,000 respectively will be redeemed on the 31st inst, through the Central Bank of China, the Bank of China and the Bank of Communications and their branches throughout the province.

New 3-Story School Building Planned by Tungchi University

Work on a new three-story reinforced concrete building of the Tungchi University at Woosung is to be started as soon as the permit has been obtained from the Bureau of Public Works of Greater Shanghai Municipal Government, according to a report in the *Shanghai Evening Post* on July 9. The new structure will house the middle school department of the institution, it is announced. Covering an area of approximately one mow of land, the new building will $120,000. Designed in a modern fashion, the structure cost provides for modern ventilation and lighting in addition to a central steam-heating system and modern sanitary equipment. On the ground floor will be a spacious hall, offices, library and classrooms. The first floor will be devoted to laboratories. The second floor will house eight classrooms for an accommodation of about 388 students.

Yangtsze Wharf Taken Over by Chinese Authorities

The Yangtsze Wharf at Pootung, Shanghai, was officially taken from the Kaiyosha Company (Japanese) by officials of the Ministry of Communications on July 8 after the cancellation of its lease last month by the Ministry. The Japanese concern had defaulted in payment of the rent due to the Chinese Government since July, 1923; the total amount in arrears up to April 1931, being Taels 135,560. Hsu Shih-tan, a deputy of the Ministry of Communications, proceeded to the Yangtsze Wharf on July 9 in company with officials of the Shanghai Navigation Bureau and an American marine surveyor and took over the wharf and godowns which had all been cleared of cargoes pursuant to a previous notification of the Ministry. They also took over a steam launch berthed at the wharf. With regard to the rent in default, legal proceedings will be instituted. A claim for damages to the property of the wharf will also be made in view of the dilapidated state of the pier under the Japanese management.

Nanking Orders Amalgamation of Two Shanghai Exchanges

In order to prevent variations in bond quotations and stabilize the bond market, the Ministries of Finance and Industries, in a joint order to Messrs. Chen Yin and Jabin Hsu, Government Supervisors of Exchanges at Shanghai, on July 6, ordered that the stocks and bonds department of the Chartered Stock and Produce Exchange of Shanghai must be amalgamated with the China Mercantile Stock Exchange of Shanghai within two months from July 6. The order points out that Article 2 of the new Exchange Law provides that there should be, in one district, only one exchange dealing in any one kind of commodity, and the existence of two exchanges handling the same commodity is contrary to the Law.

The Chartered Stock and Produce Exchange deals in gold bars, cotton yarn and domestic bonds, while the China Mercantile Stock Exchange handles stocks and also domestic bonds. Owing to the existence of these two Exchanges, there have often been wide variations in the quotations of the Government Bonds in Shanghai, which not only tend to shake public confidence in the Government's credit, but has also enabled unscrupulous merchants to carry on reckless speculation and rumor-mongers to fabricate disquieting rumors. So in order to stabilize the bond market as well as to set the mind of the public at rest, the Ministries concerned now deem it imperative to order the amalgamation of the stocks and bonds department of the Chartered Stock and Produce Exchange with the China Mercantile Stock Exchange in accordance with the Exchange Law. Pending completion of such amalgamation, the petition of the Chartered Exchange for permission to increase the number of its brokers as well as for the renewal of brokers' licences will not be considered, the order conludes.

Three Provinces Prosper, Growing Tobacco for Native Consumption

With a view to checking the large annual overflow of national wealth for the import of tobacco leaf, China is beginning to grow tobacco herself for her own consumption. According to a report in the *Shanghai Evening Post* on July 7, tobacco is rapidly becoming one of the leading products of China—Fukien, Shantung and Szechuan being the chief producing centers of leaves comparable with imported tobacco. Shantung tobacco is best for cigarettes, while tobacco from other provincesis best for water-pipes. It is said that some leaf is good for manufacturing cigars which may soon be produced in Shanghai. According to Customs reports, tobacco was first imported into China in the 17th century from the Philippines. At that time, the farmers in Shantung were not skilled in cultivating the leaf. With the introduction of foreign seed and farming methods, the farmers slowly acquired the necessary knowledge and today all the farms around Fangtse, Shantung, are planted with tobacco. The British-American Tobacco Company established a branch in Fangtse in 1912, buying all the crop and shipping it to Shanghai for manufacture. The Nanyang Brothers and other Chinese firms soon followed suit and also established their buying agents in Shantung.

Chile is Prosperous, Says Newly Arrived Minister

Carlos Becerra, who arrived in Shanghai recently to assume his new post as Minister from Chile in China, painted a glowing picture of the prosperity of his country in a recent interview given to the *China Press* (Shanghai). Commerce, mining, cattle raising, agriculture, and all the old industries are booming, while other important fields of development are being exploited by the unlimited capital brought into the country by foreigners, he said. Chinese residents of Chile especially prosper through advantages offered in the field of trade and commerce, he added.

Shanghai Plans New Public Parks

At the meeting of the Shanghai Municipal Council last week one of the members referred to the recommendation recorded by the Works Committee at a previous meeting that the Commissioner of Public Works be authorized to negotiate for the purchase of two areas, one in the Western and one in the Eastern District, for conversion to public parks, at a total cost not exceeding Tls. 1,800,000. After a brief discussion the said recommendation was unanimously endorsed.

Much Torture in American Prisons, Wickerham Commission Reports

The *United Press* says that startling details of alleged prison tortures in the United States were revealed in Washington, July 8, when the report of President Hoover's crime investigation and law enforcement commission was published.

The report asserts that tortures are inflicted especially on juvenile offenders in the various American penal institutions. The report describes cells which are veritable dungeons and it alleges that young prisoners are made to subsist for weeks and even months at a time on bread and water.

Floggings are frequent in many American prisons, according to the findings of the commissioners who worked for more than two years under the chairmanship of George W. Wickersham, former Attorney General of the United States. Prisoners are flogged and often placed on a diet of water only, says the report, for laughing, other breaches of minor discipline or for concealing small articles in their cells.

According to the report of the Wickersham commission, most of the federal prisoners who are serving terms in federal penitentiaries have been convicted of violating the prohibition or immigration laws or for the theft of automobiles.

Appalling Conditions Revealed in Children's Prisons in United States

The report of the Wickersham Commission, made public in Washington July 8, which has been investigating conditions in children's prisons in the United States, strongly criticizes the Federal Government for placing young law-breakers on the same basis as hardened criminals. The report also criticizes the appalling conditions to which prisoners are subjected, including floggings, shacklings, drenchings with cold water, and periods of solitary confinement on bread and water, and declares that prison hospitals are always full. The commissioners also found that juvenile delinquents who are being punished by the federal Government are often compelled to sleep on planks or on floors of prisons without bedding or other essentials of health. The only institution given a clean bill is the Idaho Industrial Training school.

A Comparison of Prison Conditions in China and the U.S.

Y. S. Chen of Shanghai on July 9 contributed a letter to the *North China Daily News* in which he says, with reference to the recent revelations concerning torture in American prisons, that conditions in America "are apparently such as to put to shame any description that has ever been given of present day Chinese prisons; they could very well be described as excelling the exquisite niceties which foreign writers frequently aver are inseparable from Chinese prisons.... It seems China in her anxiety to provide the old fashioned make-yourself-at-home sort of hospitality for foreign guests is devoting considerably more thought to creature comfort than has been deemed necessary by Americans in their own country."

Daughter of Government Printer at Nanking Attempts Suicide

Miss Chow Yang-hui, the 21-year old daughter of Chow Chun-liang, chief of the government printing bureau at Nanking, attempted suicide by driving a pen knife into her throat in the hall of the Central Government building July 11, in the presence of a number of high officials.

The girl was immediately rushed to the Central Hospital where her wound was found to be serious but not fatal. The suicide attempt followed a dispute between Miss Chow and her step-mother. Mr. Chow has tendered his resignation as a result of the incident.

American Export of Capital Amounted to $733 Millions in 1930

According to a recent announcement by the U. S. Department of Commerce the net export of capital from the United States during 1930 was $733,000,000, compared with $944,000,000 in 1928 and $306,000,000 in 1929. Receipts in interest, bond redemptions and amortization of American long term investments abroad, including payments on United States war loan account, reached a new record total of $1,300,000,000.

Men and Events

A son, Earl, was born July 8 to Mr. and Mrs. Jabin Hsu. Mr. Hsu is connected with the Ministry of Industry.

Sir Miles Lampson, the British Minister, has proceeded to Peitaiho, the North China summer resort. He expects to stay there for a month.

It was officially announced at Nanking during the week that the Sino-Polish Treaty of Amity, Commerce and Navigation came into effect July 9.

William Randall, who is connected with Andersen, Meyer and Company, returned to Shanghai last week from home leave spent in the United States.

Mrs. R. J. Corbett, wife of the Assistant Manager of the Standard Oil Company, returned to Shanghai last week from a visit to relatives in the United States.

W. J. R. Thorback, who is to succeed W. J. Oudendijk, as the Netherlands Minister to China, is due to arrive in Shanghai, via Batavia, about the end of September.

Dr. H. Necheles, for the past seven years physiologist at the Peking Union Medical College, was due to pass through Shanghai during the week on his return to Hamburg.

The death occurred in New York July 7, of John Brisben Walker, founder of the American magazine, *Cosmopolitan*. As long ago as 1865 he served in the Chinese Army.

Wang Ching-chi, President of the Labor University at Kiangwan, Shanghai, has tendered his resignation to the Ministry of Eduation. Mr. Wang was formerly Minister to Belgium.

A large party of Chinese merchants from Java, with Chen Ping-ting at the head, made a tour of Japan last week. The Yokohama Specie Bank at Tokyo entertained the visitors at dinner.

The death occurred on Hainan Island recently of Dr. Henry Martin McCandliss, of the American Presbyterian Church. He had been engaged in medical missionary work in the Orient since 1885.

C. V. Starr, president of the American Asiatic Underwriters, Underwriters Savings Bank, and other companies has returned to Shanghai from a business trip to Indo-China and the Philippines.

Chou Ta-wen, the new Mayor of Peiping, was formally sworn into office July 6. Chien Chang-chao, Administrative Vice-Minister of Education, administered the oath on behalf of the Central Authorities.

Hiram Bingham, Jr., son of the Connecticut Senator, has been transferred from the American Consulate in Tokyo to the U. S. Embassy there as third secretary. Mr. Bingham recently paid a visit to Shanghai.

Myron Simon, former general manager of the China and Java Export Company of Tientsin, who returned last week from a trip to the United States, has joined the firm of A. B. Rosenfeld and Company of Shanghai.

Esther Haimovitch, British, secured a devorce from Alfred M. Haimovitch, American, in the U. S. Court for China July 8. Mrs. Haimovitch was granted custody of their child, Victor, 5, and $150 per month alimony.

C. W. Petitt, for some years connected with the National Committee of the Y. M. C. A. of China, has accepted a position as business secretary on the staff of the West-Side branch of Y. M. C. A. of New York City.

The Ministry of Communications has ordered the Shanghai Navigation Bureau and the Shanghai Maritime Customs to prohibit foreign steamers from sailing to Pootoo, on the ground that it is not an open commercial port.

Dr. Hsia Shoh-kong, Chinese Charge d'Affaires to Belgium, arrived back in Shanghai from Europe end of last week and immediately proceeded to Nanking to confer with Government leaders regarding the political situation in Europe.

Alfred Y. K. Wong, a Chinese aviation student who was seriously injured in an airplane accident in England early in March, arrived back in Shanghai during the week. He is a younger brother of Y. D. Wong, Assistant Municipal Advocate.

Sir Reginal F. Johnston, Professor-elect of Chinese Language and Literature at the University of London, read a paper on "A Poet-Monk of Modern China," before an audience of about 20 members of the China Society in London June 12.

Dr. and Mrs. J. C. Geiger passed through Shanghai during the week enroute to the United States from Manila. Dr. Geiger is returning to his duties at the University of California after making an inspection of health conditions in the Philippine Islands.

A group of seventy-five Los Angeles business and club men, representing the Chamber of Commerce of that city, will visit Shanghai on August 15. They are coming out on the Japanese steamer *Chichibu Maru*, leaving Los Angeles July 20.

Frank D. Drake, manager of the shipping department of the Standard Oil Company, returned to Shanghai last week from home leave which he spent with relatives in New York and New Jersey. Mrs. Drake and their daughter Dorris will not return until autumn.

Walter A. Adams of the American Foreign Service returned to China last week from home leave. Mr. Adams has been promoted to Consul-General and will be stationed in Hankow in future. Before going to the United States Mr. Adams was Consul at Nanking.

A Nanking telegram states that Admiral Tu Shih-kwei, formerly Naval Minister under the Peking regime and at present Senior Naval Advisor to the National Government, will shortly be appointed Principal of the Naval Academy at Mamoi, Foochow.

A telegram from Dr. Wang Chung-hui, President of the Judicial Yuan, reports his arrival at The Hague. As one of the Judges of the Permanent Court of International Justice, Dr. Wang will attend the session of the Court which is scheduled to be held on July 20.

Dr. Kao Lu, the retiring Chinese Minister in Paris, has telegraphed to Nanking, to the effect that he would be leaving Europe for China during this week. He requested the Central Government to instruct Y. M. Chien, his successor, to proceed to Europe without further delay.

A number of shipping firms in Manchester, with a view to recapturing some of the lost trade in textiles in the Far East, have provisionally agreed to form a Manchester Overseas Traders' Company, which will devote its attention particularly to China, India, the West Indies, and Burma.

District Magistrate Chang Feng-chiao of Laianhsien, Anhwei, has been dismissed and ordered to appear for trial as a result of impeachment proceedings instituted by the Control Yuan. The Magistrate is charged with corruption, neglect of duty, ill-treatment of the people and other misconduct.

The death occurred at Peiping July 9 of Baron de Warzee d'Hermalle, the Belgian Minister to China. Baron de Warzee became ill last January while on a vsit to to Tientsin for the ceremony of handing back to China the Belgian concession in Tientsin and had been an invalid ever since.

The third National Meteorological Conference convened under the auspices of the Ministry of Interior was held in Nanking July 7. The meeting decided that the various telegraph offices in the country be urged to make prompt delivery of weather reports so as to facilitate weather forecasts.

With a view to arranging for the taking over of the Yangtsze Wharf at Pootung, Shanghai, held by the Japanese Kaiyosha Company, Hsu Shih-tan, special deputy of the Ministry of Communications, has been ordered to confer with Hsi-Ting-meu, Director of the Shanghai Navigation Bureau.

Wang Chia-ching, administrative Vice-Minister of Foreign Affairs, one of the nominees of Marshal Chang Hsueh-liang in the National Government, is mentioned as a possible appointee as Minister to the United States. Dr. Frank W. Lee, the other Foreign Vice-Minister, has also been mentioned for the post.

Edwin Anderson, a radio operator on the s.s. *President McKinley*, fell from a launch at the foot of Kiukiang Road and was drowned in the Whangpoo while the ship was in the Shanghai end of last week. He was standing on the aft end of the launch when a wave tossed the boat around and plunged him into the water.

Speaking at the weekly memorial service at the National Government Building, July 6, President Tai Chi-tao of the Examination Yuan declared that the system of holding public competitive examinations for the recruiting of public servants constitutes the very foundation of the Five-Power Constitution.

C. Kuangson Young, the Chinese Consul General in London, gave an address on "China Today and Why" before the Men's Christian Society of Leytonstone, England, on June 26. He attributed the cause of China's unrest during the last decade or so to the historical circumstances of the last hundred years.

Dr. Philip Tyau, former Chinese Minister to Cuba, arrived in Shanghai last week from Peiping, accompanied by his daughter Miss Rose Tyau, for a visit of several days. Dr. Philip Tyau is a brother of Dr. M. T. Z. Tyau, director of the Intelligence and Publicity Section of the Ministry of Foreign Affairs.

Announcement has been received in Shanghai of the marriage on June 14 of Roy Coleman Bennett and Miss Margaret Curtiss Wilson, daughter of Mrs. John Franklin Wilson, Hanover, Indiana. Mrs. and Mrs. Bennett will be at home in Manila after September 1, Mr. Bennett being managing editor of the *Manila Bulletin*.

Dr. L. Greenburg, sanitary engineer of the United States Health Service, passed through Shanghai end of last week enroute to the United States, from Manila. Dr. Greenburg is a member of the party of specialists, headed by Dr. S. B. Crubb, which was making an inspection tour of the Orient to investigate health conditions.

Acting on a request from the Mayor of San Francisco, the Educational Department in Tokyo is preparing to open a Japanese fine arts exhibition in San Francisco next spring. About 600 lots of Japanese paintings and other artistic works will be collected for the purpose in Japan and will be shipped by the end of this autumn.

The American Oriental Finance Corporation announced during the week that Harry E. Pierson, economic research specialist from New York, has joined the Corporation as a specialist on economic conditions and New York Stocks, acting as an advisor to clients and generally establishing a close contact between Shanghai and New York.

M. Pasquier, the Governor-General, who is now on his way back to Indo-China after a furlough in France, has been empowered to act "surgically" in connection with the rising tide of Communisin in Indo-China. The Colonial Minister, M. Reynaud, plans to visit Indo-China personally in August, when he will also visit the Dutch East Indies and French India.

Beginning July 15, Higher Civil Sevice Examinations are being held simultaneously at the National Central University and the Nanking Academy at which upwards of 2,000 candidates are sitting to compete for financial, educational, police, diplomatic, consular and general administraive posts. The Examinations will be held daily for a period of two weeks.

Yu Yah-ching, the Chinese merchant who last week celebrated the fiftieth anniversary of his business career in Shanghai, has been asked to negotiate with the Shanghai Municipal Council in connection with the closing by the police on June 9 of the New World premises at Bubbling Well and Tibet Roads, which housed the National Products Exhibit and an amusement resort.

One million dollars is being appropriated from the fund contributed by the Chinese abroad towards the relief of the great number of Chinese laborers, who are now out of employment in foreign countries as a result of the worldwide business despression, according to a decision reached in a joint meeting of the Ministries of Foreign Affairs, Finance and Industries last week.

Pursuant to a recent order of the Ministry of Communications that the various Navigation Bureaus should establish branch offices in the territory under their jurisdiction, the Shanghai Navigation Bureau has submitted plans to the Ministry for the opening of branch bureaus in the following seven ports: Hangchow, Wenchow and Ningpo in Chekiang; Kiangyin, Chinkiang and Nanking in Kiangsu, and Wuhu in Anhwei.

A Nanking telegram says that a German aviation instructor engaged by the Aviation Administration of the Ministry of War was recently dismissed from his post. The said German is charged with having intentionally damaged a Government airplane, after he had been in service for less than 10 days, and it is understood that the Aviation Administration will arraign the discharged officer at the Nanking District Court.

Robert L. Stewart, American sales and construction engineer, arrived in Shanghai this week and is planning to remain here for a considerable time making a study of local development plans. Mr. Stewart arrived from India where he has been engaged on various enterprises for the past three years. He is a member of the American Association of Engineers, American Management Association of Cost Accountants and other organizations. Mr. Stewart is living at 123 Avenue Road,

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New Books of Interest in the Far East

"If" It Had Happened Differently

"If", or History Re-Written, by various authors Viking Press, New York. G$3.

We have all, at one time or another, played at the fascinating game of suppose. "If" is the game played in respect of history by such well-known men as Philip Guedalla, Hendrik van Loon, Ander Maurois, Hilaire Belloc, G. K. Chesterton, H. A. L. Fisher, Winston Churchill, Emil Ludwig and others.

Each has taken a point of history and traces in his imagination what might have happened if that point of history had been reversed or taken another direction.

Mr. Guedalla for instance opens with "If the Moors in Spain had won," G. K. Chesterton, with characteristic humor, has married Don John of Austria to the lovely Mary Queen of Scots.

Mr. Fisher, authority on Napoleon, visualises the great conqueror, instead of surrendering to the commander of the Bellerophon, taking a Danish ship at La Rochelle for America. "Bony" was only 46, had conquered Europe piecemeal, the United States was hostile to his implacable enemy, England, and South America was rebellious with hatred against the Spaniard, another of Napoleon's enemies. What a field for his genius, the New World.

He lands at Boston and the excitement is so great that a line of stage coaches runs to Boston to bring folk who wish to catch a glimpse of the mighty warrior. He addresses the State House, offers his Republican brothers his brain, his heart and his sword against the Briton in the north, the Bourbon in the south and the Pope in the Vatican.

But peace sooh afterwards is signed with England and the Americans are not keen on re-opening the quarrel. Moreover they regard Andrew Jackson as a greater general than Bonaparte. Had not Jackson whipped the British at New Orleans while Bonaparte was soundly beaten by the same people at Waterloo?

Bonaparte in time finds the North American people as bad as the English—their language as clumsy, their religion so tedious, their moral standards so severe he could not even walk abroad with Countess Walewska who has arrived from Europe unexpectedly! There was no court, he detested the whisky, the tobacco and the expectoration. "They compliment me as a God, but they treat me as an equal," he laments.

He has visions of sweeping the English from Canada but the snow decides him against this. He cares nothing for the English but he remembers the snows of Russia, the long Retreat from Moscow.

So he sets up, with Jefferson's approval, his headquarters in New Orleans and plans magnificent campaigns which lay the foundation of the South American Republic, such has Bolivar, Sucre and San Martin as Governors of provinces.

It is well done and just as we wonder where Mr. Fisher will end the fantasy and what he will do with his Napoleon he neatly turns Bonaparte's thoughts to the other side of the Pacific for other worlds to conquer. He sets out by ship from the Californian coast and the ship founders with all aboard off the coast of Java.

Harold Nicolson gives us "If Byron had become King of Greece," and Winston Churchill reverses the result of Gettysburg in a brilliant and provocative essay.

Emil Ludwig is interested in the fate of Europe "If the Emperor Frederick had not had cancer." As might be expected from his other writings, Ludwig concludes the German Alliance with England, accomplishing it in 1903.

Frederick makes a gesture to France by making part of Lorraine a neutral zone and bestows a democratic constitution on Germany. He has renewed the Russian alliance and when he dies on August 1, 1914 he is mourned by Europe as a wise Prince.

His successor, Wilhelm II, now a handsome Prince of 55, ascends the throne with quiet dignity and is loyally welcomed by Europe. He is no longer the harum-scarum of his early days and is content to rule on the foundations laid by Bismarck, and reinforced by his father, instead of wrecking them. There is of course no world war.

It is a fascinating volume, "If," a brilliant exposition of the game of historical "suppose."

F. S. O.

World's Modern Literature Series

World's Modern Literature Series. Edited by H.D Ling, with Chinese annotations; 23 Vols. Shanghai: The World Book Company. 1931.

Since the recent renaissance movement in China, the attention of the Chinese reading public has been turning to the works of Ibsen, Gothé, Wilde, and the other eminent living authors. *"A Doll's House" "The Sorrows of Young Werther," "Lady Windermers's Fan"* and many others have been translated into Chinese with a view to answering the call of the rising generation of readers. It is not infrequent that one book has several translations, and perhaps titles too, in Chinese, especially when the book possesses a distinction that warrants sales. But so few are these satisfactory translations that the tendency of the Chinese reading public is more and more inclining to reading the original works instead. Such tendency is but natural.

Considering the problem of language, and of customs, thought, religious belief, historical and social backgrounds between Chinese and Occidentals, the difficulties in satisfactorily converting Western literature into Chinese have been inevitable numerous and great. Besides such difficulties, the majority of Chinese translations has had even the worse fate of being handled by incompetent translators and publishers, especially those petty publishers who have naught in view but gain. One who has read the original works of Wilde, or the English translations of Ibsen, Gothé, or Maupassant, would be terrified, if they happened to see their Chinese translations, how much their original beauties had been deformed, deplorably deformed! Of course, good translations are not lacking, but so intolerable are most of the translations that they may be justly condemned, as Dr. Johnson did a certain leg of mutton, as 'bad as bad can be, ill fed, ill killed, ill kept, and ill dressed.' Nevertheless, in consequence of the amazingly high gold rate, which has considerably raised the price of imported books beyond normal Chinese purchasing capacity, the Chinese reading public has to swallow Dr. Johnson's mutton with disgust, though their appetite for the original is apparently becoming keener ever more.

In the season the demand for decent, new, and cheap original Western literature has never before been so keenly felt: the birth of the "World's Modern Literature Series" is, therefore, most timely. With the publication of this Series one needs no longer feed on the loathesome Dr. Johnson's mutton, or gaze at the grotesquely deformed Salome and Werther, or pays for reading Maupassant's short stories as Mme. Loisel pays for her necklace. At a very moderate expense one can call on the best authors of the world to tell their own true stories to us in the fullest of their sense, beauty, and originality. At present, the Series consist of twenty-three of the World's masterpieces to each of which are attached Chinese annotations with a view to saving the readers the pain of consulting dictionary or references. Small though seems the Series in number, its value deserves high recommendation. One entertains the hope, therefore, that the editor will add new lustre to this Series in time to come by publishing more books of the same sort.

The Series as a whole is neatly printed, well chosen, and of moderate price.

SINGNOON M. YORK.

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Mongolians Shoot Down "Eurasia" Airplane

Airplane No. 2 of the Eurasia Aviation Corporation, operating between Shanghai and Manchuli, was forced down in Outer Mongolia by gunfire from Mongolian troops and the two pilots were made prisoners. When Plane No. 1 made a search for the missing plane several days later it duly found the plane, in apparent good condition, but there were no signs of the pilots. Plane No. 1 was compelled to abandon its intention of landing and effecting a rescue as it was under constant gunfire by the Mongolian soldiers.

The missing plane was found on the southern shore of Baile Lulu near the Mongolian-Manchuria border. Plane No. 1 was hit by bullets in some 20 places and by a shell in one place, but the damages were not of a serious nature. It was able to return to Manchuli without incident.

The Berlin Foreign Office, upon hearing of the news of the plane's capture by Mongolian soldiers took the necessary diplomatic steps with the Moscow Commissar for Foreign Affairs. As the Republic of Outer Mongolia forms part of the Soviet Union, even though that status has never been recognized by the Chinese Government, the Germans hoped that Moscow would use its influence with the Mongolian authorities with a view to ascertaining the fate and effecting the release of the plane's pilot, Captain Rathje, and its mechanic, Herr Koelber.

In this connection, Shwang Ching, managing director of the Eurasia Corporation, said that, as the incident occurred in Outer Mongolia, which is within the domain of China, no diplomatic action is needed. The only proper procedure to be used by the corporation, he said, is to report the matter to the Ministry of Communications. In the meantune, however, the plane and pilots had not been released.

The Eurasia Company announces that pending the settlement of the misunderstanding between the Company and the Outer Mongolian authorites, only a weekly (instead of a semi-weekly) round trip service between Shanghai and Manchuli will be kept up. A plane carrying air mail for Europe will leave Shanghai every Sunday.

British Court Dismisses Greyhound Suit

Judge Peter Grain decided against the Greyhound Racing Association (China) Ltd. in the British Supreme Court, July 9 in the suit brought by it against Brigadier General E. B. MacNaghten, chairman of the Municipal Council and Captain R. M. J. Martin, commissioner of police, claiming Tls. 2,500,000 damages, as a result of the closing of Luna Park April 4. by Municipal police under orders from the Municipal Council and Captain Martin, head of the police department.

The judgment characterized the action as "frivolous and vexatious" on the ground that it should have been brought against the Council in the first instance in the Court of Consuls.

Judge Grain said he was of the opinion that it was an action that could not possibly succeed in his Court. No sooner had the action started, a deadlock would be arrived at regarding the powers of the Council, or the Court would have to accept the evidence of the Council that they were acting within their powers, and the two defendants would not be trespassers, as the Council was acting within its powers; and also would be free from liability as they were closing down the Club 'bona fide' for the purpose of executing the Land Regulations and Byelaws made under them, Judge Grain concluded.

Chinese Maritime Customs Issues Annual Report

The report of the Chinese Maritime Customs for 1930 was issued during the week. It points out that, although unmarked by any event of outstanding importance, the past 12 months have more than maintained for China the promise of the preceding year—a year singled out as likely to be recorded by historians as the most epoch-making in modern times. The report ands: 'Even if she has not enhanced, China at least retained her position in international financial circles."

The report states that apart from transhipments, Shanghai handles 51 percent of Chinese direct import trade and 45 per cent of the direct export trade, to and from foreign countries.

Who's Who in China

Liu Chin-yi, railway official; born at Kaifeng, Honan, 1885; was graduated from the Honan Preparatory School for Advanced Studies in Europe and America, 1917; went to America on a Honan Provincial Government scholarship in 1918 and studied engineering at the Michigan University, graduating in 1922; worked in the Continental Motors as a student engineer for two years after graduation; returned to China in 1924 and successively served as professor at the Northeastern University, the Peking Law College, the Peking Engineering College, aviation expert at the Northeastern Aviation Bureau, editor of the *Aviation Monthly* and counsellor at the Headquarters of the 3rd and 4th Group Armies of the Fengtien Forces; Commissioner of Industries of the Honan Provincial Government, director of the Honan Provincial Conservancy Bureau, director of the Foreign Affairs Bureau attached to the Headquarters of the Commander-in-chief of the Hopei Peace Preservation Forces and vice-Minister of the Ministry of Agriculture and Industry of Peking Government, 1927; counsellor at the Headquarters of the Commander of the Northeastern Frontier Defense Force, 1928; director of works department of the Chinese Eastern Railway, 1929, which position he still retains, 1931; address: Department of Works, Chinese Eastern Railway Administration, Harbin.

Liu Chin-yi

劉君敬宜，字本義，清光緒丁酉年生於河南開封，民國六年畢業河南留學歐美預備學校，七年由省選派美國留學，十一年卒業米希根大學得工程學士，充大陸摩托公司練習工程師，十三年歸國，歷充東北大學北京法政大學工業大學教授，東北航空處技師，航空署技正，航空月報總編輯，東北陸軍三四方面軍團部參議，十六年任河南實業廳長，河南全省水利局長，河北保安總司令部外交處長，北京農工部次長，十七年充東北邊防司令長官公署顧問，十八年任中東鐵路管理局工務處長

Wife of U. S. Consul at Yunnanfu Gets Divorce

A divorce was granted to Mrs. Dorothy Vivian Stevens from her husband H. E. Stevens, by Judge M. D. Purdy in the U. S. Court for China July 7. Mr. Stevens was formerly Senior Consul's Deputy at the old Shanghai Provisional Court and was married recently upon his arrival from a holiday in the United States, when he was appointed Consul at Yunnanfu, Mrs Stevens charged cruel and abusive treatment. She mentioned that at a public function in Yunnanfu her husband went home without her at two o'clock in the morning.

Firearms Purchases Must Be Authorized by Central Government

The Ministry of Foreign Affairs, acting on a note from the Commander in Chief, has requested the foreign Legations in China to cause the issuance of instructions to their respective merchants that in future no contract for the purchase of firearms or any article for military use may be concluded directly with any local government unless there is a permit formally issued by the Central Government.

Floods Cause Disaster in Many Parts of China

Although conditions have become less serious in many places which had been affected, telegrams from various parts of China end of last week and beginning of this week revealed a serious flood situation. Both the Tientsin-Pukow and Peiping-Hankow Railways were interrupted owing to the inundation of their road-beds. A locomotive on the Peiping-Hankow line near the Tungshangho Station south of Sinyang, southern Honan, was wrecked on July 6 on account of the collapse of the road-bed. Both the sections at Sinyang and south of Yencheng were flooded. The Tientsin-Pukow line near Mingkwang, south of Pengpu, was also submerged and all south-bound trains had to suspend operation.

Lubo station, of the Peiping-Hankow Railway, was completely inundated. At Hsihua, due to the collapse of three sections of the embankment along the Luho, the city became a veritable lake.

Repairs to the bridge at Liulintien, south of Sinyang, and the tracks at Tungshangho were completed on the morning of July 10. Passenger train service was thereupon resumed, but unfortunately the bridge at Chumatien, 64 miles north of Sinyang, was again washed away the same night and as a result the north-bound train was forced to stop at Chumatien and await repairs.

The city of Hsuchow, north Kiangsu, was turned into a lake as a result of the continuous downpour. The water on the streets was knee-deep and most of the houses were half submerged in water.

The waters of the Huai River rose to 20 feet in height and so strained the embankments that a part of the dyke along the northern bank was on the verge of collapse. The districts of Chuyi, Szechow, Fengyang, Linpi, Suchow, and Huaiyuan, all in northern Anhwei, were in imminent danger of flood.

The water flooding the road-beds of the Tientsin-Pukow Railway at the Mingkwang station (Anhwei), which had caused no small amount of inconvenience to railway communications, began to subside July 8. A north-bound train of the Nanking-Peiping through train service left Pukow early that day.

Most parts of Peiping were under several feet of water for a time. The electric power company was put out of commission on the night of July 7, throwing the city into darkness.

The heavy showers in Peiping and Tientsin ceased temporarily July 8. With the return of fine weather, the waters of the Yungting River began to subside. Thanks to the strenuous labors of 300 peasants, the embankments at Chuchiakow, were repaired.

Two companies of soldiers from the Nanyuan garrison assisted in strengthening the embankments of the Yungting River.

The dykes at Tsingkiangpu and Chuchow (Kiangsu), weakened, by the heavy rainfalls, collapsed. Extensive areas of rice-fields in that vicinity were submerged, entailing a loss of from six to seven million dollars.

The waters of the Yellow River rose to a height of 85 feet above the sea level. The southern embankment at Liuchwang. in the upper reaches of the River, and the dykes at Wangwangchwang and Chingho, in the lower reaches, partly collapsed.

As a result of urgent appeals from various flood-affected areas in the country, the General Relief Committee at Nanking decided to hold a plenary meeting to formulate relief measures.

A Pengpu despatch dated July 13 stated that the city was several feet under water, the result of ten days' heavy rainfall. Boats were plying on the streets to carry pedestrians, and about 5,000 people were rendered homeless by the flood.

The damage caused by floods to the various districts along the Peiping-Hankow Railway is estimated at $10,000,000. The losses sustained by salt merchants were especially heavy.

Employees of Taiyuan Arsenal Demand Back Pay

The executive committee of the workers' union of the Taiyuan Arsenal sent an ultimatum to General Shang Chen, chairman of the Shansi provincial government, and also the provincial commissioner of finance, on July 11, giving the provincial authorities 48 hours to pay the 8,000 workers their wages for the month of May.

The committee's communication hinted at the probability of serious trouble being made by the workers unless relief is granted.

China and Her Maritime Customs

BY HU YUNG HWA

Incessant efforts devoted by the Government to numerous political and constructive improvements throughout the country, as well as to the gradual recovery of sovereign rights already lost, have helped to elevate China's position to a considerable degree, and to convince all the foreign powers that the suppressive and encroaching policies they formerly adopted towards China are no longer necessary and practicable and that this country now well deserves equal treatment. What vitally concern the country and the people are the questions of tariff autonomy and extraterritoriality. The former based on resolutions arrived at during the Tariff Conference held in Peiping in 1925, has already been enforced since January, 1931, while the latter is in the course of negotiation, the ultimate accomplishment of which is naturally unquestionable and is but a matter of time.

Being the preliminary step towards China's emancipation from the yoke of unequal treaties which has bound her for so long a period, this tariff autonomy has enabled her, through her Maritime Customs, to yield an annual revenue considerably more than that collected before, and as such, the Chinese Maritime Customs is therefore considered as the main financial source from which the major portion of China's national expenditure is derived. It is to be regretted, however, that, owing to China's financial obligations, the controlling power of the Maritime Customs has automatically fallen into the hands of the foreign countries for quite a number of years. As far as sovereign right is concerned, this infringement of a nation's domestic affairs is certainly intolerable and ought to be done away with immediately; but, in view of the contrast with all China's own controlled Tax Collection Bureaus where corruptions of all sorts have been indulged in, the excellent and systematic manner in which the Chinese Maritime Customs is handled has spoken for itself that such a precipitate action should necessarily be waived at least for the time being. This can be well proved by the fact that all the revenues collected by this organization are, after the deduction of principal and interest necessary for the liquidation of the national debts, going straight to the National Treasury instead of being otherwise disposed of, and that since the market in the principal ports, such as Shanghai, Hankow, Tientsin, Canton, etc. is dominated by foreign merchants, the necessity of having a Customs foreign staff, who know exactly all the tricks played by unscrupulous merchants, especially the Japanese, to undertake all the transactions, may help to discover in an expedient way smuggling and swindling cases. Furthermore, complicated problems involved in Tariff Classification and valuation also require the energy of an expert foreign staff to settle.

The Benefits of Centralization

More beneficial than all is the continued centralization of administration of the Custom Houses throughout China. This unit has never in one time been affected either by the change of government or by any political unrest. Up to now this big institution, being the only exception among other revenue bureaus which always find their controlling power split in time of disturbances, remains to function under one head, namely the Inspector-General of Customs. That the impossibility to centralize the administration of a financial bureau would have the effect of diminishing revenue and depreciating commerce is realized by all. Luckily the Chinese Maritime Customs has been free from these difficulties. What has brought about this situation might, of course, be attributed to the so-called foreign interference in China's domestic affairs. Humiliating though this unfavorble state of affair is, it seems as if time is still too premature to allow the Chinese to resort to any patriotic action, as in case they do, everything will turn out in the most adverse manner imaginable. China's internal strifes have already spoiled many institutions and the Maritime Customs is the only one left running smoothly and satisfactorily. China's situation at present is such that the foreign control of the Maritime Customs has unavoidably become indispensible and, if she has a desire to safeguard her only financial resource, the wise course now open to China would be the retention of the Foreign Staff, and, if circumstance warrants, the enlistment of as many new candidates as the Service may require. In this connection and according to the speech

(*Continued on page 281*)

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MEN AND EVENTS

(Continued from page 273)

Dr. Lewis Clark, of the U. S. Consulate-General, Hankow, and Mrs. Clark arrived in Shanghai during the week.

A Tokyo message states that the first public trial of the 31 Chinese communists, which was scheduled for July 15 at the Tokyo District Court, has been postponed indefinitely.

Morris J. Harris, *Associated Press* representative, departed from Shanghai, July 15, for the United States for a vacation. He will be away from his post for about four months.

Mrs. C. D. Spamer, wife of a United States Consul in Shanghai, departed during the week for Chefoo, where she will be the guest of Mrs. L. W. Franklin, wife of the American Consul at Chefoo.

Recent U. S. Government statistics show that the total output of cigarettes in 1930 in America was more than 119,624,909,000, or more than 227,000 a minute. This was an increase of more than a half billion over 1929.

A total of 1,335,617,903 pounds of chocolates and candies was consumed the United States last year, only two per cent less than in the "prosperity year" of 1929. The figures were made public at the annual convention of the National Confectioners' Association, held recently in Chicago.

Japanese papers state that the Mitsui Bussan Kaisha will soon commence selling Japanese-made chewing gum through merchants who formerly were tobacco wholesale dealers operating under the government tobacco monopoly.

The new Science building at St. Stephen's College, Hongkong, was formally declared open July 10, when also a tablet in memory of the late Chau Siu-ki, one of the founders and principal benefactors of the College, was unveiled.

New postage stamps bearing the pictures of Dr Sun Yat-sen, the late Party Leader, will be put on sale throughout Chna on September 1. All issues of postage stamps now in circulation will be completely discarded thereafter.

A party of over 80 American tourists from Los Angeles is scheduled to leave that city on July 20 by a Japanese steamer. After spending a fortnight in Japan they will come to Shanghai and thence to Manila, returning to America in the latter part of September.

Edward Miles, in his small yacht *Saturday* (13 tons), departed from Yokohama, July 14, bound for America. If Mr. Miles can cover safely the distance of 9,699 miles to New York after covering the distance of some 15,000 miles from New York to Yokohama, all in his small vessel, he will establish the world record in the round-the-world yacht trip.

The players of the game "Hai Alai," which has been a nightly feature at the Auditorium in the Shanghai French Concession for the past year or more, went on stroke beginning of this week and as a result the Auditorium remains closed. The strikers have asked Spanish Consul General Ferrer to arbitrate the dispute.

Announcement was made at Washington July 10 that unauthorized stories of President Hoover's personal life, his business and public activities and the events which transpire within his family circle are to be stopped. The President feels that all news concerning himself should emanate from a single authoritative source.

Lieut. Richard Highleyman joined the U. S. S. *Houston* at Tsingtao during the week, he and Mrs. Highleyman having recently arrived from the United States. Lieutenants Marion Little and George Menocal also passed through Shanghai during the week *enroute* to Tsingtao where they joined the submarine squadron.

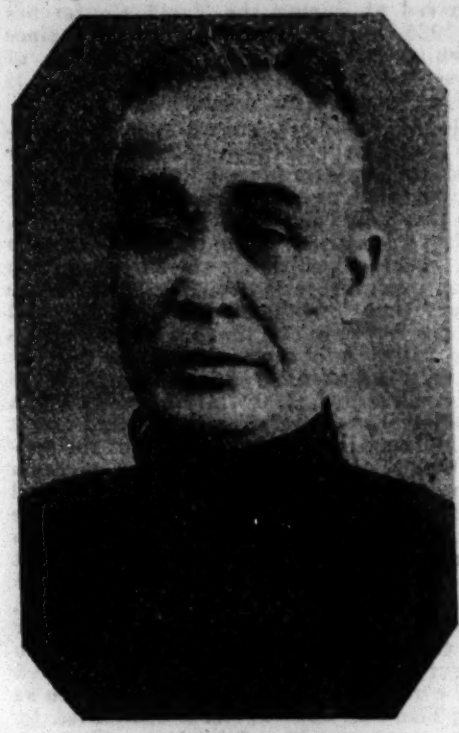
Several pieces of ancient porcelain and pottery ware and two fossil skeletons of animals were unearthed recently at Peichwang, a railway station west of Tientsin, in the course of the building of a water lock by the Haiho Conservancy Commission. The articles will be sent to the Central Research Institute in Nanking for study.

Dr. C. T. Wang, Minister of Foreign Affairs, returned to Nanking beginning of the week, after a short stay in Shanghai. He later proceeded to Tsingtao where he was scheduled to participate in the conference of the Kiaochow Railway Committee. From there he intends to proceed by a gunboat to Weihaiwei to investigate the administrative conditions in that city since its rendition from Great Britain.

A party of American tourists, under the guidance of Upton Close, arrived in Japan July 9. More than half of the party are coming over to China, and after a tour of this part of the country will proceed to Taishan mountain. This batch of tourists came on an Osaka Shosen Kaisha liner. Another batch of sixty American tourists arrived at Yokohama on a Nippon Yusen Kaisha liner the same day.

Shanghai Celebrates Yu Ya-ching's 50th Year of Public Service in Port

Yu Ya-ching, Shanghai's most prominent commercial leader, shipping magnate and public welfare worker, was the recipient of honor and felicitations from thousands of friends and well-wishers, both Chinese and foreign during a two-day celebration (July 11 and 12) on the occasion of his 50th year of residence and public service in Shanghai. An elaborate program was observed to celebrate the event, among the items being a souvenir phototaking at the Race Course, Chinesetheatrical performances, dancing, music, cinema exhibition and banqueting at the Majestic Hotel, and an automobile procession on the main streets in Shanghai. The celebration was participated in by a large number of Government officials, representatives from the Municipal Councils of the International Settlement and French Municipal Council and hundreds of leading Chinese commercial organizations. The Shanghai Municipal Council presented Mr. Yu with a large silver shield with inscriptions of eulogy in Chinese, while similar and other kinds of gifts were also tendered him from other quarters as a mark of their appreciation of his brilliant services during the past century in Shanghai. During the occasion a number of speeches were also delivered by Mr. Yu's admirers, including Dr. C. T. Wang, Minister of Foreign Affairs, Chang Chun, Mayor of Greater Shanghai Municipality, Wang Shao-lai, Chairman of Shanghai Chinese Chamber of Commerce and others, eulogizing Mr. Yu's brilliant career as a man of public service and stating that his life should be a source of inspiration and an example to the younger generations.



Mr. Yu Ya-ching

Mr. Yu also made a speech, giving a brief account of his record of service in Shanghai and among his numerous activities, the following significant milestones in his career may be mentioned. He was born on May 18, 1868 at Lungshan in Chenhai, Chekiang. When 15 years old, he came to Shanghai to start his apprenticeship with the Jui Kong Company. a dyestuff concern, In 1891, he was sent by the Viceroy of Kiangsu and Anhwei to Japan to attend the Japanese Army Maneuvers. Received in audience by Emperor of Japan and was awarded a 5th order of merit. During the Boxer Uprising, he influenced Viceroy Liu at Nanking to disobey the mandate of Empress Dowager in which the latter ordered execution of foreigners in China. He organised the Chinese Merchants Association, which later became the Chinese Ratepayers' Association. He led the campaign which resulted in Chinese representation in the Shanghai Municipal Council. The Ningshao Merantile Navigation Company was formed as a result of his efforts to oppose high passenger rates of foreign companies. He donated $8,000 to the revolutionary movement against the Manchu Dynasty and sent arms to the battle fronts. He was the founder of the first stock exchange market in Shanghai. For many years, he was chairman of Shanghai Chinese Chamber of Commerce. Throughout his long residence and public service in Shanghai, he practically identified himself with all the major movements in the city and his services have won

recognition and appreciation of the whole community, both foreign and Chinese.

Mr. Yu proposes to donate all the money gifts presented him for the erection of a hospital at his native town, Lungshan, to give free clincs to the poor and aged in the district and also contemplates to found a University in his name.

In concluding Mr. Yu's celebration, several of his admirers proposed that a similar ceremony should be held every ten years to honor this prominent commercial leader. It was was also suggested that the Municipal Council be requested to name one of the city's streets in Mr. Yu's honor. Finally, it was planned that a statue be erected as a token of appreciation to this veteran citizen.

Why Did Karakhan Change His Mind?

(Japan Chronicle, Kobe, July 2)

According to a Chinese official of the Chinese Eastern Railway, who is conversant with the proceedings of the Sino-Soviet Conference, the Soviet delegates, at the eighth session of the Conference in Moscow, changed their attitude in respect the Chinese purchase of the Russian interest in the Railway. Mr. Karakhan, accompanied by his several secretaries and expert committees, arrived at the assembly room about half an hour before the hour of opening and without obtaining consent from the Chinese plenipotentiary delegate, Mo Teh-hui, announced that the session should be devoted to talks in regard to the improvement of the administrative system of the Chinese Eastern Railway, while matters relative to the Chinese purchase of the Russian interests in the Railway should be reserved for the future. Against this proposal, Mr. Mo raised a protest, insisting upon the continuance of the parleys on the purchase problems. Mr. Karakhan replied that there were preliminary conditions for the Chinese purchase of the railway, which the Chinese Government must comply with before any practical results might accrue from the talks. He further said that as soon as the evaluation of the Railway property was obtainable, it would be up to the Chinese Government to decide on the methods to be used for effecting the redemption. A hot debate ensued; it lasted more than three hours without arriving at any definite result. Finally, Mr. Karakhan submitted his proposal in regard to the improvement of the present administrative system of the Chinese Eastern Railway but this was turned down by the Chinese delegates on the ground that it overstepped the bounds of the discussions, which were scheduled to be confined to the purchase problems. It looks as if the Powers' pending protests against the admission of Russian goods into China duty free, will not have to be sent after all. Perhaps China will clap a hundred percent tariff on instead.

Chicago *Tribune* Combining the Peiping and Shanghai Offices

In order to effect economies necessitated by business conditions in America and the falling off of interest in China news, *The Chicago Tribune* has decided to combine the Peiping Bureau, managed by Charles Dailey and the Shanghai office, managed by J. B. Powell, into one office at Shanghai, which will be in charge of Mr. Dailey. The new arrangement probably will become effective shortly after Sept. 1 and will continue until conditions again warrant the opening of two offices. The Shanghai office of *The Tribune* will continue at its present location, 38 Avenue Edward VII. The action of *The Tribune* in closing its Peiping office follows somewhat similar action on the part of other American and British newspapers, the *London Times* having transferred its main office to Shanghai, while the two American press associations, *The Associated Press*, and *United Press* and British *Reuters* service, while still maintaining offices in Peiping, have nevertheless considerably reduced their staffs.

Many Real Estate Sales in Shanghai During June

Real estate transations in Shanghai totalled more than fourteen million taels, according to the monthly report made by the Asia Realty Company. Prices were firm or slightly rising. Among the transactions carried through was the purchase of 32 mow by the French Municipal Council, another was the taking over by the Cathay Land Investmeat Co. of some of the holdings of the Yao Loong Real Estate Company for the price of Tls. 1,900,000. Another deal of considerable importance was the sale by A, Ramos of his holdings in the Northern district and Kiangwan road Tls. 827,000.

"The Seaboard Route to the North"

Travel on The

Peiping-Liaoning Line

Starting at Peiping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs, the Peiping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chiuchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peiping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passengers baggage registered through between the important stations on the Peiping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peiping-Hankow Railway and with the Peiping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Traffic Manager

Peiping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

THE KAILAN MINES AND HOOVER

(Continued from page 265)

Another motive was that in order to overcome the financial difficulties caused by the hostilities, additional capital had to be raised by gaining foreign shareholders for the undertaking, a large sum of English money having been already advanced on the security of the Company's property. His Excellency Chang Yi, Director General of the Company, accordingly appointed Mr. Gustav Detring to make the necessary arrangements, which Mr. Detring did by signing on behalf of the Chinese Engineering and Mining Company with Mr. H. C. Hoover, acting on behalf of Mr. C. A. Moreing of London, a deed of sale placing Mr. Moreing in position to take the necessary steps with regard to the raising of capital in Europe and registering the Company under British laws. It being understood that after conversion the company should keep its name and be managed according to the articles of association covering as well the interest of the Chinese as of the foreign shareholders making all alike participants in profits and losses and that a working capital of £ 100,000 should be raised before the end of February. These main provisions of agreement having been acted upon by Mr. Hoover and notified to the diretctor general Chang Yi, it has today been settled and decided that the Company shall in the future be constituted and managed as follows:

1. The share capital of the Company to be one million pounds sterling.
2. The Chinese shareholders to receive twenty-five shares of £....each for each original share of Tls. 100 each.
3. The bona fide liabilities of the Chinese Engineering and Mining Company up to the 19th of February (the first day of the first moon of the 27th year) including bonuses due to employes or shareholders from dividends or reserve funds shall be taken over by the new Company, and all what is due according to the formal agreement entered into will be duly considered and honored.
4. It is specially agreed to honor and duly repay all the loans obtained from the Imperial Government. Tls. 200,000 is to be paid out of the first funds and the balance as equally as possible.
5. The shareholders whether Chinese or foreign shall have equal votes at all meetings of the shareholders when the Company's affairs are discussed and questions decided.
6. The management of the company shall be conducted by two boards of directors, one in China and one in London.
7. His excellency Chang Yi will be Director General resident in China as before in general charge of affairs, and as such will have equal powers as foreign directors in China.
8. The management of the property of the Company in China will be in the China Board.
9. The London Board will be elected by all the shareholders Chinese and foreign.
10. It will be understood that the word limited means that the shareholders are in no case responsible for more than the nominal amount of their shares.
11. It is also understood that all the legal taxes and duties payable to the Chinese Government will be paid by the Company as heretofore.
12. It is also understood that the Director General will be the channel of all communications between the Imperial Authorities and the Company.
13. It is understood that the Company will be managed in such a spirit as to make Chinese and foreign interests harmonize on a fair basis of equality and to open an era of co-operation and protection that will enrich the government and the people.
14. All the unsettled accounts of the Company and questions relating to land tenure will be adjusted equitably by mutual consultation.

Dated this 19th day of February, 1901.
Signed, sealed and delivered by Herbert C. Hoover and Chev. de Wouters in the presence of Alfred S. P. White-Cooper, C. D. Tenney — C. de Wouters, H. C. Hoover

Signed, sealed and delivered by Chang Yen-mao in the presence of Alfred S. P. White-Cooper, C. D. Tenney

Signed, sealed and delivered by Gustav Detring in the presence of Alfred S. P. White-Cooper, C. D. Tenney — G. Detring

The *Peking and Tientsin Times* in those early days published matter that was uncomplimentary to Mr. Hoover. Mr. Hoover wrote an article in which he showed optimism about the future of the coal mines. First printed in the *Engineering and Mining Journal* of New York. it was reprinted in the *P. & T. Times* of August 2, 1901.

His statements were immediately and venomously attacked by Mr. T. R. Wynne, agency and general manager for the Chinese Engineering and Mining Company, who under date of November 1, 1902, said among other things:

"The company is not preparing for an output of 2,000,000 tons per annum, a portion of which will be exported to Western America," and "Mr. Hoover's report is interesting as a fairy tale. As an accurate account of the mine and its working it is not reliable."

But Mr. Hoover proved with the passage of years to have greater foresight into the future than this British general manager who was so free with his pen. Not many years passed before the mining properties were producing 2,000,000 tons, and in 1928 the production was 4,958,000 tons! Much of the company's coal soon began to be exported, and although it did not go to Western America, it did travel thousands of miles from the pits where it was unearthed.

An interesting and not entirely insignificant sidelight on how Mr. Hoover regarded his duties, and with what determination he pushed his work, was told me recently by L. C. Arlington, an American who has lived in China for more than half a century, and who is retired from the Chinese government service.

"I remember when I was at Canton at the turn of the century," Mr. Arlington said, "how we all watched a startling development in North China where a young man named Hoover, who had taken over a coal mine area, set to work to eliminate relatives and sinecures from the payroll of the company. Hoover went over the lists and scratched out about 2,000 names of people who were only showing up to obtain a salary.

"I remember there was a tremendous furor over this, and many people said that this could not be done in China. But I recall that this man Hoover got away with it. It certainly set everybody talking on the China Coast!"

The Known Facts

These are the known facts, and the reader may judge according to his temperament whether he approves or disapproves of the course taken by Mr. Hoover. The verdict wil be based on temperament rather than otherwise, for disapproval in main will be due to the feeling that it would have been best for Mr. Hoover not to have permitted himself to be involved in such an affair in so un-American an atmosphere.

But approving or disapproving, the fair-minded reader will have to recognize that both the Chinese and the Europeans asked him to convert the Kaiping mines into a Sino-European coal enterprise, and this he did to the best of his abilities. That the Europeans later, and the Belgians presumably, were extremely active in this, tried to push the Chinese out entirely and to ignore part of the agreement was not the fault of Mr. Hoover. When Mr. Hoover appeared in the British court his testimony upheld the memorandum to which he had signed his name.

The entire affair belongs to another time and age, for history has moved swiftly in the last quarter of a century. If Mr. Hoover is to be opposed for re-election, it should be on other matters and not on an affair which is coated with the musty dust of old diplomatic archives. This opinion is based on the belief obtained as the result of extensive interviews and investigation that Mr. Hoover did his best for all sides in a delicate situation which for a young man barely 25 was almost unprecedented.

Chinese Employees of French Concession Win Strike

After having been on strike for a week, the Chinese staff and laborers of the French Concession, numbering more than 3,500, returned to work end of last week, after securing increases in pay and allowances that will cost the taxpayers of the French Concession an extra expenditure of about Tls. 400,000. The strike was brought to an end by a general increase of about 11 per cent in pay. The strikers had demanded 20 per cent. The employees are granted the right to form an Association, the Council to supply a meeting room free of charge. Employees and workmen are to be given free medical attendance, and arrangements are made to inaugurate a superannuation fund.

"Big Foot" Widow Chang--- Honan's Famous Woman Bandit Leader

BY MARK M. LU

SINCE the establishment of the Republic there have been two famous women bandit ringleaders in Honan province. One was Ma Wu Tai Tai (馬五太太) or Lady Ma No. 5 who arose at the beginning of the Republic, and the other, Chang Kua Fu (張寡婦) or Widow Chang, who is creating disturbances at present in South Honan. Lady Ma No. 5 was a native of Taiping village, of Neihsianghsien in West Honan, and used to sit in a big green sedan chair when travelling from one place to the other. The details of her life may be traced as follows:

Widow Chang is a native of Changsui village, of Yungninghsien in West Honan. On account of her natural feet, she is nicknamed "Big Foot Chang," and because of her unrivalled beauty, also "Beauty Queen." The people usually call her "Marshal Chang." When he died her husband left her two sons and 300 mow of fertile land. Wishing these two little sons to secure higher military positions, she forced them to be soldiers, after a short course in a rural school. Later they were killed by their father's enemies. Swearing revenge, she sold all her possessions, purchased guns with the income, and turned bandit herself.

Gen. Yang Teh-ling, who is said to occupy the position of "Chief-of-Staff" to Widow Chang's Bandit Army in Honan.

Some Queer Slogans

In the 18th year of the Republic, Widow Chang possessed several thousand followers, well-equipped with ammunition. She organized a propagandist corps. Handbills and the posters appeared everywhere at the places where she arrived. The main slogans were: "Rob the rich," "Save the poor," "Support Marshal Chang," "Marshal Chang is the salvation star of the poor", as well as others. At that time the different military authorities tried to recruit her, but to no avail.

At the end of the 18th year, she joined the Government troops when fighting against the Kuominchun troops in West Honan. She was then stationed with her army in the vicinity of Loyang, a main town in West Honan. The writer had interviewed General Yang Teh-lien, her acting commander, had a short talk with him, and was permitted to take his photograph.

Not long afterwards, she was disarmed by General Liu Mao-en, General Liu Chen-hua's brother. She then fled away into South Shansi with only several tens of her bodyguards. Later she returned to Loning in West Honan to gather together all her former subordinates.

Her Romantic Bodyguards

In the 19th year, she had about 3,000 men with 2,000 guns, and defeated the Kuominchun troops in the vicinity of Loyang several times, during the civil war between the Northern Coalition and the Central Government troops. She then was appointed a division commander, under General Chang Fang, commandant of the 20th route army. Her bodyguards were all her sisters, cousins, nieces, nephews, brothers and sisters-in-law. Not long afterwards, she turned bandit again.

Trying to Join Hands with the Communists

A month ago she joined Tsui Er-tan, Wei Kuo-chu and several other famous bandit ringleaders and captured Tanghohsien in South Honan, where more than 10,000 people were taken away by them as captives and 2,000 killed. Recently she has been trying to join hands with General Ho Lung, well-known Communist in South Honan, but his troops were intercepted and scattered by the Government troops. According to the latest report, she is now stationed with her men at Wen-tsun village in Loninghsien, West Honan.

Marshal Feng Yu-hsiang Narrowly Escaped from Her

In the spring of the 18th year when the Kuominchun retreated towards Tungkuan, Marshal Feng Yu-hsiang very narrowly escaped from Widow Chang at Linpao when he was going to Sianfu by motorcar. Several cars were looted and many bodyguards of the Marshal killed. The Marshal got away by the foremost car.

Kaifeng, Honan, July 5, 1931.

Chinese Protest Against Maneuvers Along China Coast of Foreign Warships

The Chinese Navigation Association has sent a petition to the Ministries of Communications and Foreign Affairs requesting the Chinese authorities to prohibit foreign men-of-war from exercising within China waters and along China coasts, in order to avoid accidents.

The petition cited the collision between the Chinese merchant vessel *Yu Ta* and the British submarine *Poseidon* as an example of the danger, the submarine having been proven responsible for the disaster.

The case of the *Poseidon* disaster has been settled, the British authorities having held the *Yu Ta* blameless for the collision which took place at Chenshan Gulf, 24 miles out of Weihaiwei, on June 9.

Veteran American Journalist Arrives in Shanghai

Herbert S. Houston, founder and president of the *Cosmos* News and Broadcasting Service, New York City, arrived in Shanghai during the week, accompanied by Mrs. Houston, in the course of a tour of Japan and China. Mr. Houston is a native of Champaign, Ill, where he was born Nov. 23, 1866. He has had an extensive experience in all forms of newspaper and periodical work. He was connected with Doubleday, Page & Co., of which he was vice president, from 1900 to 1921, and as part of his duties edited the Spanish edition of the *World's Work*.

CHINA AND HER MARITIME CUSTOMS

(*Continued from page 277*)

delivered by Commissioner W. R. Myers before the staff of the Shanghai Customs on the occasion of his transfer to Tsingtao, let us try to break the line of nationalism, remove the impression of racial prejudice and consider everyone on the Service List, irrespective of his nationality, a Chinese citizen, who is required only to devote his energy and attention to the Chinese Maritime Customs and the Republic of China. Mr. Myers' expression, which is as desirable as it is encouraging, has steadily assured us of the foreigners' wholehearted support and particularly his own deepest interest in this co-operative undertaking. Just as important as the removal of racial prejudice is the adoption of a uniform system in governing staff of either different or same races. The Maritime Customs is such a large institution with such a large staff that only by frank and fair dealing can everyone be made satisfied and happy and thus produce able and energetic workers, whom the Government and the Service are constantly in need of.

In conclusion, it might be worth while mentioning that to Inspector-General Maze the Chinese Maritime Customs is greatly indebted for his continued effort and valiant spirit in upholding and enhancing the welfare of the Service. This fact together with his policy of loyalty to the Government, faithfulness to the Service and impartiality to his staff, has amply convinced us of the Government's wisdom in entrusting to him the administrative power of the Maritime Customs.

Shanghai, July 13, 1931.

Nanking Orders Opium Suppression Bureaus Closed

A Special Order was issued by the Executive Yuan at Nanking July 8 approving the abolition of the newly established bureaus for the prevention of opium smuggling, acting on a petition submitted by the National Opium Suppression Commission. The Commission thereupon sent a circular telegram to the Provincial Governments of Kiangsu, Chekiang, Kiangsi, Anhwei and Fukien, and the Municipal Government of Greater Shanghai, requesting that steps be taken at once to enforce the Executive Yuan's closing order.

"The National Government strictly adheres to its policy of vigorous extirpation of the opium evil and will under no circumstances relax the existing Opium-Suppression Laws out of fiscal motives," declared Shao Yuan-chung, acting President of the Legislative Yuan, in an address at the weekly memorial service of the National Government at Nanking July 14.

Dr. J. H. Liu, Chairman of the National Opium-Suppression Commission, in an interview with *Kuo Min*, said the assertion that the Government had authorized an opium monopoly is untrue, adding that the present policy of the Government towards opium remained unchanged.

Dr. Liu said the National Opium Suppression Commission realized that the present laws and their enforcement have not been as effective as might be wished, but in so far as adopting a new policy is concerned, much research work had to be done before it would consider any concrete proposal. In addition he added that public opinion had to be consulted, because for the solution of any large social problem public support was absolutely essential, and without it no government could enforce any new measure even though it might promise to be the most efficient. Owing to the popular misunderstanding as to the legal functions of these new Bureaus and on account of the fact that these hastily organized bodies were having difficulties in dealing with the suppression of the drug that is netting smugglers a profit of from 200 or 300 per cent, the Commission, he said, had received the authorization of the Executive Yuan to abolish these Bureaus forthwith and to seek other methods to combat the smuggling problem.

Dr. Liu mentioned that opium valued at more than twenty million dollars had arrived at Canton from Persia and other sources, destined not only for consumption in Kwangtung and Kwangsi, but also for smuggling into the rest of the country.

Speaking at the commemoration meeting on the anniversary of the commencement of the Anti-Northern Expendition at Hangchow, Ma Yin-chu, a leading Chinese economist, sounded a warning to the National Government against the establishment of opium-suppression bureaus which he said aimed at an opium monopoly in China.

Mr. Ma has been one of the leading members of the Opium Suppression Committee who are opposed to the proposal of the National Government to provide the said bureaus in various important centers throughout the nation. He tendered his resignation from the committee following the action of the government in authorizing the bureaus.

International Drug Conference Comes to an End

The International Drug Conference at Geneva came to an end July 13. The conference adopted a draft convention regulating the future production of drugs on the basis of the estimated total legitimate drug trade of the world and providing that the drug producing countries, shall, as far as possible, maintain their production within the limits indicated by these estimates. Morphine preparations containing less than 0.2 percent morphine as well as codein are excluded from the convention agreement.

A telegram from Geneva July 13 stated that 28 nations had signed the "convention." China and the United States had not so far signed, but were expected to do so. Turkey, Persia and Yugo-Slavia had not signed, as they wished to be assured of some protection for their industry of production of raw opium.

A correspondent at Geneva in a letter to *The Review* comments, with reference to the work of the conference, that "limitation of manufacture which leaves out any limitation of raw material, naturally cannot go very far."

Conference to Be Held at Bangkok

The League of Nations has called the first international conference for the progressive suppression of opium smoking to be held in the Far East to convene in Bankgok next November. The signatories of the agreement to hold the conference are France, Great Britain, India, Japan, Holland, Portugal and Siam. In addition, it has now been decided to invite also the United States and China. It is not expected that any attempt will be made at immediate and wholesale suppression of opium smoking, but that steps will be taken first to bring it under control by the various governments concerned and then to provide for its gradual decrease.

Cocaine Smugglers Arrested in Kobe

A gang of Japanese smugglers of cocaine was arrested in Kobe last month, the leader being a sailor named Furuya who deserted his ship while she was lying at anchor in Shanghai. He was arrested in Kobe near the American wharf and marched off to the Kobe Water Police Station where examination revealed that, in collusion with a certain leading druggist in Osaka, he had smuggled quantities of cocaine to India.

Seized Narcotics Publicly Burned

A large consignment of narcotics consisting of 6,612 ounces of heroin, 7 piculs of opium, 33 piculs of poppy husk, 6,612 ounces of morphine pills, and a quantity of opium-smoking paraphernalia, confiscated by the Maritime Customs, was publicly burned at Pootung, across the river from Shanghai, July 7. Representatives of the local Party, civil and military organs witnessed the bonfire.

Police in the French Concession at Tientsin seized a large quantity of morphine, and other drugs July 6, valued at over $100,000. Among more than 50 persons arrested about ten were Japanese, French, Italians and Russians. They were alleged to have been concerned in the manufacture of the seized drugs.

Germany on the Brink of Financial Disaster

Telegrams from Berlin July 12 stated that Germany was on the brink of financial disaster. Dr. Luther, president of the Reichsbank, franctically requested a credit of G$300,000,000 from Great Britain, France and the United States, in order to avoid a crisis. The Reichsbank was being bled white as the result of the withdrawal of foreign credits and currencies. There were rumors that the Government would have to resign as the result of the latest French demands, in which event there would be a terrific fight between the Nationalists and the Socialists, (the latter under the leadership of Herr Hitler) to gain control. The prospect of the latter gaining control had created a panic among people of small means, and they were all scrambling to convert their money into foreign currencies, particularly pounds sterling and gold dollars.

W. R. Castle, acting secretary of state, announced in Washington July 17 that the United States bankers were prepared to assist in relieving Germany but were leaving the matter of leadership to the European central banks.

The German Government resolved July 12 not to submit to France's demands for the cessation of warship construction and the abandonment of the Austro-German Customs Union. These demands were described by the Germans as blackmail of the worst kind.

One of the biggest German banks, the Darmstaedter and National Bank, did not open its doors July 14.

A telegram from Basle July 13 stated that the Council of the Bank for International Settlements had decided to help the Reichsbank in every way in its power. In the meantime the German government has assumed responsibility for the liabilities of the Darmstaedter Bank.

The British Ambassador in Tokyo visited Baron Shidehara, the Foreign Minister, at the Foreign Office, July 11 and presented an invitation to have Japanese experts particiate in the Experts' Conference to be held in London on July 17 to discuss the enforcement of the Hoover moratorium plan.

China Also Wants a Moratorium

Yung Kwai, who is in charge of the Chinese Legation at Washington, following the recent resignation of Dr. C. C. Wu, enquired from the U. S. Department of State during the week whether President Hoover's war debts moratorium plan applies to Chinese Governmental obligations, especially to Boxer indemnity payments to the United States, Great Britain, France and Japan. Advices from Washington indicate the possibility that the State Department may institute conferences with other governments in the event that President Hoover believes that his war debts holiday plan applies to China and her Boxer indemnity payments, but in such an event considerable negotiation with Japan will be necessary.

Latest New York Stock Exchange Quotations

Market: Weak Business Done 3,000,000 Shares July 8

1930-1931 High	Low	Div.$ perSh.	STOCKS	Mon. July 13	Tues. July 14
23½	11¼	1.00	Adams Express	15	15¼
42¾	18¾	3.00	Allis Chalmers	24¾	24⅝
129¾	92¼	4.00	American Can	106½	105⅜
51¾	21¼	—	American & Foreign Power	29⅛	28½
31¼	11	—	American & For. Power W.	16½	15⅞
58½	24⅜	4.00	American Smelting	32½	31½
201¾	156½	9.00	American Tel. & Tel.	176¾	175⅞
132¾	102⅛	5.00	American Tobacco "B"	120⅜	119½
80¾	40⅜	*3.00	American Waterworks	47½	47¾
43¼	18¾	1.50	Anaconda Copper	25	23⅞
23⅝	11⅛	*1.00	Atlantic Refining	15	15
87⅞	43½	5.00	Baltimore & Ohio	57⅝	57½
70⅜	38½	4.00	Bethlehem Steel	45⅝	45
30¾	14½	1.00	Borg Warner	18½	18¾
45⅜	24¾	1.25	Canadian Pacific Railway	25⅞	26
131½	59½	6.00	Case J. I.	76¼	74¾
54⅛	27½	3.00	Chesapeake Corp	38	37⅞
25¾	12½	1.00	Chrysler	22⅛	21½
20¾	9¾	.30	Cities Service, Com.	10¾	10⅝
45⅝	20⅝	2.00	Columbia Gas & Electric	31¼	30¾
16⅝	6	.75	Columbia Graphaphone	9½	9⅛
12	6⅞	.60	Commonwealth & Southern	8⅛	8¼
2¾	1⅜	—	„ „ war.	1½	1½
109⅝	82⅛	4.00	Consolidated Gas. of N. Y.	94	93
12	5	—	Continental Oil	8	8
5⅞	2⅛	—	Curtiss Wright Co.	3⅛	3⅛
78¾	61½	4.00	Drug Incorporated	72½	71¾
107	71	4.00	Du Pont de Nemours	87⅞	87½
185¾	118	*5.00	Eastman Kodak	143¾	142
61	31⅛	6% S	Electric Bond & Share	39⅜	38½
38⅜	11⅝	2.50	Fox Film "A"	16¼	15½
12	5⅛	—	General Aviation	5⅝	5¼
54¾	36	1.60	General Electric	41¼	41¼
56	43	3.00	General Foods	49⅜	48⅞
48	31⅛	3.00	General Motors	37¼	37
84⅛	46½	5.00	General Railway Signal	Unq.	Unq.
42½	21	2.50	Gold Dust	28¼	27⅛
20⅞	8¼	—	Goodrich Rubber	12¼	12
52¾	30⅝	3.00	Goodyear Tire & Rubber	39⅛	38½
22⅝	10	2.00	Granby	15⅛	Unq.
26	11	1.00	Hudson Motors,	13½	13¼
62½	27¾	4.00	International Cement	33	32¾
4	1¼	—	International Combu. Eng.	2⅛	1⅞
60½	38⅝	2.50	International Harvester	43½	41⅝
20⅛	9½	.60	International Nickel	14	13¼
38⅜	18¾	2.00	International Tel. & Tel.	31½	30⅞
80¾	40⅝	3.00	Johns Manville	52	51½
15½	8½	—	Kelvinator	10	9¾
31½	14¾	2.00	Kennecott	18⅛	17¾
27¾	17⅞	1.61	Kreuger & Toll	20⅛	18¾
35½	18	1.00	Kroger Grocery	27½	28¼
91¾	60½	*4.00	Liggett & Myers, "B"	72¼	72½
63½	36⅛	3.00	Loew's: Inc	43¼	42¾
20⅛	11⅜	—	Lorillard P Co. (com-)	17⅝	17½
19	8⅛	—	Ludlum Steel	11½	11
29¼	15¾	—	Montgomery Ward	19	18½
40⅞	20	4.00	Nash Motors	28⅛	27¼
14¾	6⅛	1.00	Nevada Consolidated Co.	9¼	9⅜
132¼	71½	6.00	New York Central	86¾	86½
11	4⅜	—	North American Aviation	8⅛	Unq.
69½	48½	3.00	Pacific Lighting	53½	51¾
11⅞	5¼	.10	Packard Motor	7⅛	7
50¼	19⅝	2.50	Paramount—Publix Corp	24⅝	24⅜
64	42⅛	4.00	Pennsylvania Railroad	46¼	46⅜
8½	4⅞	.20	Pennroad Corporation	6¼	6
16⅝	4¾	—	Phillips Petroleum	7⅝	7⅜
96½	72	3.40	Public Service of N. Jersey	79⅞	79¾
27½	12	—	Radio Corporation	16⅞	16⅝
24½	11¼	—	Radio-Keith Orpheum	14¼	14
53	40⅝	3.00	Reynolds Tobacco "B"	50½	50½
63¼	44⅞	*2.50	Sears Roebuck	54½	53¾
10¼	4½	—	Shell Union	6⅜	6⅜
23⅝	10⅛	—	Simmons Company	16⅛	15¾
54½	36	2.00	Southern California Edison	43¾	43¾
20½	14⅞	1.20	Standard Brands	17⅞	17½
88⅜	55⅛	3.50	Standard Gas & Electric	63	62½
52½	30⅝	*1.00	Standard Oil of N. Jersey	37⅜	36½
26	13⅞	1.60	Standard Oil of New York	17⅜	17⅛
36¼	18	2.00	Texas Corporation	23	Unq.
55¾	29⅛	3.00	Texas Gulf Sulphur	34⅛	34⅛
59	32	3.00	Timken Roller Bearing	Unq.	36
18	6⅝	.10	Trans America	7½	7⅝
72	43½	2.60	Union Carbide & Carbon	50½	51⅛
205⅛	137	10.00	Union Pacific Railway	162¼	163½
38⅞	20⅞	—	United Aircraft & Transp't	26¾	26¾
31¼	16⅛	.75	United Corporation	22⅛	22
20⅜	10⅛	—	U.S. Rubber	14¼	14
152⅝	83⅛	7.00	U.S. Steel	95½	94½
76¾	23⅛	—	Vanadium	31⅝	31¼
20⅜	4¾	—	Warner Bros. Pictures	7⅛	7
107¾	56⅛	4.00	Westinghouse E. & M.	66¼	66
72⅝	54⅜	2.40	Woolworth	67	66⅞
*plus extras			Call Money	1½%	1½%

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Huge Independence Demonstration Staged at Manila

Fifty-thousand Filipino men and women marched in an impressive Independence parade at Manila July 11 staged for the purpose of proving to Senators Pittman and Hawes that Filipinos are united and determined in their independence cry. Huge crowds lined the streets and packed all available space fronting the reviewing stand, which was located near the Legislative building.

The marchers were composed of legislators, department secretaries, bureau directors, professors, students of different universities, prominent club women, students of girls colleges, all waving banners, "We want independence."

The festivities were marred by an incident at the Army and Navy Club, one of the most exclusive clubs in Manila, when about 300 paraders invaded the club premises and grounds where scores of men and women were swimming in the pool.

American Flyers Fail in First Non-Stop Pacific Attempt

Reg. Robbins and H. S. Jones, two American airmen who attempted to win the prize of $25,000 offered by the *Tokyo Asahi* for a non-stop flight from the Contiental United States to Japan, failed in their first attempt. After arriving at Fairbanks July 9, they got as far as Nome, where the refueling arrangements failed and as a result the plane had to descend. As this broke the journey, the two airman decided to return to Seattle, announcing that they would make another attempt with a more powerful plane.

French Fail in Paris-Tokyo Attempt

Two of the most noted aviators of France, LeBrix and Doret, took off from LeBourget Aerodrome, near Paris at 4.40 on Sunday morning July 12, on board the huge monoplane, *Hyphen*, hoping to make a non-stop flight to Tokyo. They made excellent progress but came to grief at Mesmin, 310 miles west of Irkutsk, Siberia. The plane was badly damaged and one of the crew injured his knee cap.

Chinese Official Says Emporium Closure Unwarranted

In spite of the lapse of several weeks, the incident in connection with the forcible closure of the Native Products Emporium at the New World by the Shanghai Municipal Police remains unsettled. At a recent conference held between the officials of the S. M. C. and authorities of Greater Shanghai Municipality, the matter was further discussed with a view to arriving at a just settlement. Yu Hung-chun, chief secretary of the Greater Shanghai Municipal Government, pointed out to the S. M. C. representative that the action on the part of the Council in closing down the Emporium was unwarranted. Even though inadequate provision of equipment in the amusement section of the Emporium should have justified the closure, Mr. Yu said that such an order could not be carried out without the concurrence of the Special District Court. The S.M.C. representative said that the incident will receive further considerations at the next meeting of the Council, while details of the Avenue Haig Affair will also be taken up at the staff meeting of the Police Department.

Exchange Circular for period from Tuesday 30 June, to Wednesday, 8th July 1931.

Two Bank Holidays intervened on the 1st and 2nd July, and exchange business was closed.

Uncertainty prevailed in the early part of the week regarding the outcome of President Hoover's Proposal for a War Debt Moratorium, and the claims of France upon the unconditional payments from Germany. A settlement was arrived at on Saturday, since when the exchange market has been quiet, but not quite up to the highest levels reached on the first announcement.

Silver:—On the 30th ult. was 13 3/4d. for spot and forward and G. $.29 1/8, and closes today at 13 5/8d. and G. $.29 3/8

China has on occasions been a buyer; but turned a seller towards the end of the week. India has been a small buyer.

Exchange:—The official T/T rate on London on the 30th ult. was 1/3 3/4d., raised on the 3rd inst. to 1/3 7/8d., on the 4th inst. to 1/4 1/8d., on the 6th reduced to 1/3 7/8d., on the 7th lowered to 1/3 5/8d., and this morning again to 1/3 1/8d.

On Tuesday the 30th ult. opened at 1/3 15/16 and G. $.32 for T/T on London and New York; 4 m/s Cr. 1/4 1/16d. and G. $.32 7/8: Yen Cross rate 49.41: Yen 154: Gold Bars 711. A firm market developed, and at noon 1/3 15/16d. and G. $.32 1/4 was available. At the close good sellers at 1/4d. and G. $.32 3/8. 4 m/s Cr. 1/4 1/16d. and G. $.32 5/8. Gold Bars 708.

On resuming business on the 3rd inst. T/T on London and New York was 1/4 1/16d. and G. $ 32 1/8, which subsequently became 1/4 1/16d. and G. $.32 5/8: quietly steady condition prevailed: 4 m/s Cr. 1/4 7/16d. and G. $.33 1/4. Yen 151. Gold Bars opened at 701.50 closing at 699.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ... ... Tls. 84,577,000 a decrease of Tls. 1,939,000
Chinese and Mexican Dollars $ 171,470,000 an increase of $2,250,000
Estimated value Tls. 208,035,000 as against Tls. 221,742,000 held at this time last year

†	Average rates for June	Wed. & Thursday July 1, 2	Friday July 3	Saturday July 4	Monday July 6	Tuesday July 7	Wed. July 8
Bank's selling rates			opening closing	opening closing	opening closing	opening closing	opening closing
T/T on London	1/2.390		1/3 7/8	1/4 1/8	1/3 7/8	1/3 5/8	1/3 1/2
D/Dfts ,,	—		1/3 7/8	1/4 1/8	1/3 7/8	1/3 5/8	1/3 1/2
4 m/s ,,	—		1/3 15/16	1/4 3/16	1/3 15/16	1/3 11/16	1/3 9/16
T/T on India	80.710	BANK HOLIDAY	89 1/4	90 1/2	89	87 1/2	87
T/T on France	744.480		822	835	822	809	802
T/T on N.Y.	29.155		32 1/8	32 5/8	32 1/8	31 3/4	31 3/8
T/T on Demand			32 1/8	32 5/8	32 1/8	31 3/8	31 3/8
T/T on Hamburg R. M.			135	138	135	133	132
T/T on H'kong	80.795		80 nom	80 nom.	80 nom.	79 7/8 nom.	80 1/8 nom.
T/T on Japan	169.720		153 1/2	151	153 1/2	156	157 1/2
T/T on Batavia	72.410		80	81	80	78 1/2	78
T/T on Straits	193.480		175	172	175	178	179
Bk's buying rates 4 m/s B/L. Cred. & D/A	1/2.670		1/4 3/4	1/5	1/4 3/4	1/4 1/2	1/4 3/8
4m/s B/L D/P	—		1/4 7/8	1/5 1/8	1/4 7/8	1/4 5/8	1/4 1/2
6m/s ,, B/L Cred & D/A	1/3.515		1/5	1/5 1/4	1/5	1/4 3/4	1/4 5/8
4m/s B/F Cred D/A or D/P	790.600		870	880	870	855	850
4m/s N.Y.Lc.	30.905		33 7/8	34 3/8	33 7/8	33 3/4	33 1/8
4m/s ,, Docs.	—		34 1/8	34 3/8	34 1/8	33 5/8	33 3/8

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling.	July 1, 2	July 3	July 4	July 6	July 7	July 8
Bullion.						
*London Price of Bar Silver per oz. (English Standard 925 touch) Pence		13 9/16	13 3/4	13 11/16	13 9/16	13 5/8
**New York Price of Bar Silver per oz. (Pure)		cr. $ 29 1/4	G.$.29 1/4		G.$.29 3/8	G.$.29 3/8
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	HOLIDAY	Tls. 699.40	Tls. 703.50	Tls. 704.9	Tls. 710.9	Tls. 724
Shanghai Silver Bars (weight Tls. 100 (Canton) 999 touch)		Tls. 112.50	Tls. 112.50	Tls. 112.50	Tls. 112.50	Tls. 112.50
Shanghai Mexican Dollars per $100		Tls. 72.6	Tls. 72.6	Tls. 72.5875	Tls. 72.55	Tls. 72.5
Native Bank Rate of Interest (Call money)		3%	3%	3%	3%	3%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	2½%	London on Paris	T/T 124.14
Bank of France rate of discount	2 %	New York on London	T/T 4.86 5/16
London open Market ef Dis. 3 m/s	2 1/16 %	Bombay on London	T/T 1/5 23/32
,, ,, 4 ,,	2 1/16 %	Hongkong on London	T/T 1/0 9/16
,, ,, 6 ,,	2 1/8 %	Kobe on London	T/T 2/0 1/32

FEARON, MAITLAND and SHAW

The National City Co. Gold Bond Quotations Received From Head Office

July 9, 1931.

SECURITY	RATE & DATE DUE	Price	Approx Yield%
The National City Bank of New York	Stock	88	—
City of Antwerp	5 % Dec. 1, 1958	102	4.87
Argentine Government	6 % May 1, 1960	89	6.88
Canadian National Railway Co.	5 % Oct. 1, 1969	106¼	4.62
Chile Government ..	6 % Jan. 1, 1961	60	10.37
City of Vienna	6 % Nov. 1, 1952	88½	7.05
City of Yokohama ..	6 % Dec. 1, 1961	101½	5.89
German General Electric (A. E. G.)	6 % May 1, 1948	81½	8.01
German Central Bank for Agriculture.. ..	6 % Apr. 15, 1938	82½	9.48
Greek Government ..	6 % Feb. 1, 1968	86	7.07
Japanese Government	6½% Feb. 1, 1954	107½	5.89
Kingdom of Italy.. ..	7 % Dec. 1, 1951	100½	6.95
Lautaro Nitrate Co., Ltd.	6 % July 1, 1954	46	—
Nord Railway Co. ..	6½% Oct. 1, 1950	107½	5.95
Norwegian Hydro-Elec. Nitrogen Corp.. ..	5½% Nov. 1, 1957	100	5.50
Oriental Development Co..	5½% Nov. 1, 1958	96½	5.75
Paris - Lyons - Med. Railroad Co.	7 % Sept. 15, 1958	107	6.45
Republic of Costa Rica (Pacific Rwy.)	7½% Sept. 1, 1949	77	10.34
Republic of Finland ..	5½% Feb. 1, 1958	78½	7.35
Republic of Peru	6 % Dec. 1, 1960	24½	—
Rhine Westphalia Electric Power Corp. w.w.	6 % Aug. 1, 1953	80½	7.88
Saxon Public Works ..	6½% May 1, 1951	73¼	9.52
Saxon State Mortgage Institution	6½% Dec. 1, 1946	77	9.34
Toho Electric PowerCo. Notes (Japan)	6 % July 1, 1932	100	6.00
Tokyo ElectricLightCo. (Japan)..	6 % June 15, 1953	87½	7.13
Ujigawa ElectricPower Co. (Japan)	7 % Mar. 15, 1945	103	6.67
U. S. of Brazil	6½% Oct. 1, 1957	61	—
Anaconda Copper Mining Co.	Common Stock	25¼	—
Baltimore & Ohio Railroad Co.	Common Stock	57⅛	—
Belgian National Rway. Pcptg. Pfd. Stock ..	6 % (Am. Shares)	78½	—
Pennsylvania Railroad Co.	Common Stock	47½	—
Standard Oil Co. of New York	Common Stock	17⅛	—
United Aircraft and Transport Corp. ..	Common Stock	27	—
Vacuum Oil Co.	Common Stock	41⅛	—
Chicago Rapid Transit Co.	6½% July 1, 1944	61	—
CubanDominicanSugar Corp.	7½% Nov. 1, 1944	13	—
Pennsylvania - Dixie Cement Corp. ..	7 % Cum. Pfd. Stock	11¼	—
State of Minas Geraes Series "A"	6½% Sept. 1, 1959	38	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 % 1925	77½	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 % 1913/60	70¼	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	68¼	—
Chinese Govt. (Crisp Loan)	5 % 1912	48¼	—
Shanghai Nanking Railway	5 % 1904/08	47½	—
Shanghai Hangchow Ningpo Railway ..	5 % 1908/38	80½	—
Hukuang Railway ..	5 % 1911/1951	27	—
TientsinPukowRailway	5 % 1908/09	21	—

NOTE: The above quotations are received by cable and whilst believed to be correct, are not guaranteed.

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What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs Pieces; Mille—thousands;

GOLDEN SUN, May 11.

(Agents: States S. S. Co.)

To U. S. of America

Cotton Rags	*Pls.*	2,542
Egg Albumen, Dried	,,	157
,, Yolk, Dried	,,	15
Hair, Human	,,	204
Seed, Sesamum	,,	45,087

PRESIDENT HAYES, May 11.

(Agents: Robert Dollar Co.)

From U. S. of America.

Motor-cars	*Pcs.*	2
Machines, Knitting	,,	1
Rubber Tires:		
For Motor-cars	,,	109
Rubber Inner Tubes:		
For Motor-cars	,,	20
Cotton Thread, Embroidery	*Pls.*	20
Iron and Steel, Ungalvanized:		
Pipes	,,	13
Pipe Fittings	,,	15
Tinned Plates, Plain	,,	754
Ironze and Steel, Galvanized:		
Pipe Fittings	,,	41
Sheets, Plain	,,	59
Aluminium Powder	,,	17
Asparagus	,,	13
Apples, Fresh	,,	139
Borax,	,,	168
Fruits, Table and Pie	,,	38
Indigo Paste, Artificial:		
20 per cent. strength	*Pls.*	208
50 ,, ,,	,,	58
Indigo Grains, Artificial:		
60 per cent. strength	,,	11
Leather, Sole	,,	13
Macaroni in bulk	,,	47
Newspapers, Old	,,	751
Paper, Printing	,,	18
Oranges, Fresh	,,	676
Pitch	,,	312
Soap, Household	,,	53
Sulphur Black	,,	244
Tobacco, Smoking	,,	183
Lemons, Fresh	*Mille*	8
Shoes	*Doz. prs.*	3,736
Files	*Doz.*	1,000
Dyes, Aniline *Pkgs.* 830	*G. Units*	37,577
Machinery, & Parts of	,,	43,463
Treasure:		
Silver Bullion	*Hk. Tls.*	563,423
,, Bars	,,	1,357,727

MANILA MARU, May 12.

(Agents: Osaka Shosen Kaisha.)

From U. S. of America.

Cotton Raw *Bls.* 2,220	*Pls.*	8,090
Wood Pulp, Chemical	,,	405
Timber, Softwood:		
Ordinary, Sawn	*Supft.*	505,410
Merchantable	,,	276,852
Machinery, & Parts of	*G. Units*	1,324

OLYMPIA, May 12.

(Agents: States S. S. Co.)

From U. S. of America.

Wood Pulp, Chemical	*Pls.*	421
Timber, Softwood:		
Clear	*Sup. ft.*	139,760
Merchantable	,,	476,695
Ordinary, Sawn	,,	1,428,946
Piling	,,	33,192

MONTREAL MARU, May 18.

(Agents: Showa Shipping Co.)

From U. S. of America.

Cotton, Raw	*Bls* 1,050	*Pls.*	3,796
Iron, Old		,,	52
Ink, Printing		,,	44
Pitch		,,	300
Paper, Chipboard		,,	6,131
Motor-cars		*Pcs.*	23
Varnish		*Galls.*	36

SANYO MARU, May 18.

(Agents: Osaka Shosen Kaisha.)

From U. S. of America.

Cotton Yarn, Grey, Counts above 45		*Pls.*	15
otton, Raw	*Bls.* 900	,,	3,272
Iron and Steel, Ungalvanized:			
Pipe Fittings		*Pls.*	5
Screws		,,	3
Iron and Steel, Galvanized:			
Pipe Fittings		,,	25
Indigo Paste, Artificial:			
20 per cent. strength		,,	223
Starch		,,	577
Tobacco, Leaf		,,	5,167
Wax, Paraffin		*Pls.*	420
Dyes, Aniline *Pkgs.* 1,245	*G. U.*		37,402

SANYO MARU, May 19.

(Agents: Osaka Shosen Kaisha.)

To U. S. of America.

Silk, Raw, Steam Filature:			
White, Shanghai	*Bls.* 35	*Pls.*	34.84
Yellow, Tsingtao	,, 90	,,	87.18
Silk Cocoon Strippings:			
Shanghai	*Bls.* 79	,,	254.50
Egg Albumen, Dried		,,	252
,, Yolk, Frozen		,,	375
Bristles, Assorted		,,	50
Hides, Buffalo		,,	331
Oil, Wood		,,	460
Seed, Sesamum		,,	36,580
Wool, Sheep's		,,	300
Skins, Goat, Untanned		,,	1,842
,, Kid,	,,	*Pcs.*	5,770
,, Doe,	,,	,,	36,867
,, Lamb	,,	,,	1,000
,, Rabbit,	,,	,,	48,525
,, Sheep,	,,	,,	10,570
,, Weasel,	,,	,,	13,800
,, Wild Cat	,,	,,	800

OLYMPIA, May 20.

(Agents: States S. S. Co.)

To U. S. of America.

Hair, Human	*Pls.*	182
Seed, Sesamum	,,	10,920

ASAMA MARU, May 21.

(Agents: Nippon Yusen Kaisha.)

From U. S. of America.

Cotton, Raw *Bls.* 75	*Pls.*	265
Borax, Refined	,,	239
Oil, Lubricating Mineral	*Galls.*	2,650

FERNHILL, May 21.

(Agents: O. Thoresen & Co.)

From U. S. of America.

Cotton Raw *Bls.* 4,975	*Pls.*	15,904
Iron and Steel, Ungalvanized:		
Sheets	*Pls.*	840
Iron and Steel, Galvanized:		
Sheets Plain	*Pls.*	2,155
Carbon Black	,,	433
Wax, Paraffin	,,	168

SOYO MARU, May 23.

(Agents: Showa Transportation Co.)

To U. S. of America.

Egg Albumen Dried	*Pls.*	84
Seed, Sesamum	,,	36,473

SILVERYEW, May 23.

Agents: Glen Line Eastern Agencies, Ltd.

From U. S. of America.

Cotton, Raw	*Bls.* 500	*Pls.*	1,866
Iron and Steel, Ungalvanized:			
Pipe Fittings		*Pls.*	8
Iron and Steel, Galvanized:			
Tubes		,,	674
Indigo Paste, Artificial:			
50 per cent. strength		,,	267
Ink, Printing		,,	91
Sulphur Black		,,	262
Tobacco, Leaf		,,	4,508
Machines, Sewing		*Pcs.*	180
Motor-cars		,,	7
Rubber Tires, Pneumatic:			
For Motor Cars & Trucks		,,	178
Oil, Kerosene, in bulk		*Galls.*	53,000
Machinery, and Parts of		*G. Units.*	64,456
Motor Cars and Trucks, Parts of		,,	1,031

PRESIDENT FILLMORE, May 25.

(Agents: Robert Dollar Co.)

From U. S. of America.

Iron and Steel, Ungalvanized:		
Bolts and Nuts	*Pls.*	58
Tinned Plates, Plain	,,	600
Barley	,,	106
Coffee	,,	10
Cocoa Butter	,,	16
Hides, Bull	,,	338
,, Steer	,,	51
Indigo Grains, Artificial:		
60 per cent. strength	,,	78
Indigo Paste, Artificial:		
50 per cent. strength	,,	74
Oranges, Fresh	,,	605
Paper, Printing (Wood free)	,,	150
,, Writing	,,	76
Pitch	,,	313
Soda Ash	,,	840
,, Hydrosulphite of	,,	132
Sulphur Black	,,	186
Sugar, Milk	,,	84
Motor-cars	*Pcs.*	31
Motor-truck Chassis	,,	5
Rubber Tires, Pneumatic:		
For Motor Cars & Trucks	,,	261
Rubber Inner Tubes:		
For Motor Cars & Trucks	,,	197
Dyes, Aniline *Pkgs.* 304	*G. Units.*	22,724
Motor Cars and Trucks, Parts of	,,	3,860
Machinery, & Parts of	,,	19,379
Treasure:		
Silver Bars	*Hk. Tls.*	1,026,868

JEFF DAVIS, May 27.

(Agents: Lloyd Everett, Incorporated.)

From U. S. of America.

Hides, Cow	*Pls.*	305
Indigo Paste, Artificial:		
20 per cent. strength	,,	467
50 ,, ,,	,,	293
Milk Sugar	,,	252
Sulphur Black	,,	824
Tobacco, Leaf	,,	3,561
Turpentine, Mineral	*Galls.*	8,333
Dyes, Aniline *Pkgs.* 116	*G. Units*	7,629
Machinery, & Parts of	,,	51,708

GERTRUDE MAERSK, May 27.

(Agents: Melchers & Co.)

From U. S. of America.

Cotton Flannel:			
Grey		*Pcs.*	34
Yarn-dyed		,,	17
Iron and Steel, Ungalvanized:			
Bar Ends		*Pls.*	869
Hoops		,,	9
Pipes		,,	3,850
Tinned Plates, Plain		,,	1,080
,, ,, Scraps		,,	938
Ink, Printing		,,	32
Paper, Bristol Board		,,	5
,, Chipboard		,,	3,100
,, Coated		,,	9
,, Manifold		,,	4
,, Press Board		,,	8
,, Printing (Wood free)		,,	6
,, Writing		,,	13
Tobacco, Leaf		,,	149
Canned Flour		*Doz.*	460
Paints, Unclassed		*Galls.*	72
Enamelled Ironware		*G. Units.*	1,765
Motor-cars, Parts of		,,	3,068
Treasure:			
Silver Bars		*Hk. Tls.*	643,892

MALAYAN PRINCE, May 29.

(Agents: Furness (Far East), Ltd.)

From U. S. of America.

Aluminium Sheets		*Pls.*	91
Iron and Steel, Ungalvanized:			
Tinned Plates Plain		,,	575
Iron and Steel, Galvanized:			
Shee s, Plain		,,	53
Borax, Crystal		,,	588
Indigo Paste, Artificial:			
20 per cent. strength		,,	166
50 ,, ,,		,,	66
Leather, Kid		,,	4
Paper, Grease-proof		,,	28
Tobacco, Leaf		,,	20,815
,, Prepared		,,	5
Soda, Bicarbonate of		,,	209
Sulphur Black		,,	280
Machines, Sewing		*Pcs.*	50
Cigarettes		*Mille*	60
Oil, Lubricating, Mineral		*Galls.*	2,511
Dyes, Aniline *Pkgs.* 282		*G. Units*	19,739
Motor-cars, Parts of		,,	1,677
Treasure:			
Silver Bars		*Hk. Tls.*	774,373
,, Bullion		,,	414,921

In All Parts of China and the Far East

Persons who are interested in obtaining single copies or placing subscriptions for *The China Weekly Review* will find agents handling the paper in all parts of China and the Far East. For the convenience of readers, we are publishing the following current list of agents where latest issues of *The Review* may be obtained:

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China News Company,
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32 A Broadway
Shanghai News Company
1133 Bubbling Well Road
Sing Kong Exchange Shop
A501 Broadway East
Soo Sing Book Store
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Cor. N. Szechuen & Range Rds.
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The Educational Bookstore
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Philippine Education Company
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Hock Huat & Co.,
60 Main Road
Taipeng, S. S.

Hock Huat & Co.,
21 Jalan Raya
Sungei Patani

M. Mohamed Dulfakir & Co.,
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Kuala Lumpur

United Importers
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The New Book Co.,
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